Daily Report

Latin America

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FBIS-LAT-91-228 *26 November 1991*

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Cuba

Government Willing To Sign Drug Agreement

PA2511173791 Mexico City NOTIMEX in Spanish 1544 GMT 24 Nov 91

[Report by Eda Chavez]

[Text] Paris, 24 Nov (NOTIMEX)—Carlos Amat, Cuban minister for justice, has said that Cuba is willing to sign an antidrug cooperation agreement with the United States based on mutual respect.

Amat said that Mexico and Cuba have already established a bilateral juridical and legal cooperation program to combat this social scourge because the two countries are the "highways" used to move drugs from South America to U.S. consumers.

Amat, who is in Paris to attend a UN-sponsored meeting for the prevention of crime, told NOTIMEX: "Although an agreement with the United States does not exist, Havana has expressed to Washington its willingness to establish one."

"We are willing to sign an agreement with the U.S. Government based on mutual respect and equal terms," the minister said. He added that, for this purpose, "the political willingness of the United States is required." "For 30 years, we have been struggling to keep drugs, a world scourge, from being introduced to the Cuban population. I think the United States is more interested in this struggle because Cuba does not have this problem, although we are aware of the danger." According to Amat, "U.S. society is sentenced to live with drugs and AIDS."

He said drug traffickers have a method in which their planes take off from clandestine landing strips in Colombia or elsewhere in South America and drop drug packages in Cuban waters to be picked up by vessels from Miami. "It is a very sophisticated technique," he said, adding that the packages are water resistant and fitted with a radio transmitter so their location can be pinpointed.

These operations have been revealed because some packages have washed ashore on Cuban territory and found by local authorities. "We are afraid that when our people find out that these packages are worth millions, they will initiate drug trafficking that will lead Cuban youths to vice," he pointed out. "So far, we have succeeded in keeping this under control. It would do enormous harm to have this protection removed, thus making Cuban youths victims of this social scourge." He added that Cuba has had to patrol the coast and develop a number of techniques to keep the problem under control.

He said that a gang of cocaine traffickers, Americans and Cuban-born residents of Miami, was captured in Cuban territorial waters recently. "It was discovered that they operate from a radio station in Florida, where they contact their installations in South America to learn the coordinates of the drug packages dropped in the sea," Amat said.

The official said the Cuban Government gave its U.S. counterpart all the information on this operation, including names and the address of the jewelry store that served as cover for the operation.

Amat said that Cuba and Mexico share a problem because the island is the "marine highway" between South America and the United States and Mexico is the entry point to U.S. consumers." [no opening quotation mark as received]

He said that during the visit of Carrillo Olea, Mexican deputy prosecutor general, the field of cooperation for the joint struggle against drug trafficking and a juridical and legal exchange program were outlined.

"We realize that it is important to develop cooperation between Mexico and Cuba, not only in the field of drugs, but on a number of legal and juridical aspects as well," he pointed out.

"Our people and governments have been very good friends for decades. There is cooperation between several sectors of Mexican and Cuban society, but such an agreement has not been established in the juridical field," he added.

He said that, beginning next year, there will be a closer and more efficient relationship between lawyers of the two countries, as well as exchange of information and training between Cuban and Mexican authorities.

In Cuba, a special commission attached to the Council of Ministers has an overall view of society and has proved very effective in preventing crime in the country.

According to Amat, some of the areas in which Mexico and Cuba might exchange studies and experiences include prevention of crime in zones of danger, violence at home, and violence against women.

Evaluation of laws, exchange of juridical publications, technical training for the detection of drugs, such as the training of Mexican police dogs in Cuba; among others, were also agreed upon, Amat concluded.

Cabrisas Participates in Group of 77 Meeting

FL2511233091 Havana Radio Reloj Network in Spanish 2041 GMT 25 Nov 91

[Text] Cuban Foreign Trade Minister Ricardo Cabrisas has stated that the ministerial meeting of the Group of 77, out of 128 developing countries, today demonstrated once again that it embodies unity, solidarity, and cooperation. During an interview with PRENSA LATINA after the meeting, the head of the Cuban delegation expressed his views on issues such as the intensification of the U.S. embargo against Cuba and the evolution of

the Uruguay Round for the liberalization of international trade. Cabrisas said that the meeting revealed the role that each of the members of the Group of 77 must fulfill for their own development, while it set forth the responsibilities of the industrialized countries in that effort.

The Cuban foreign trade minister stated that the ministerial meeting has taken place at a time of important changes in the world, which have determined new ways for the necessary international cooperation.

EEC Ambassadors Strive for Dissident Release

PA2611034891 Paris AFP in Spanish 1842 GMT 25 Nov 91

[Text] Havana 25 Nov (AFP)—Diplomatic sources in Havana have pointed out that on 25 November ambassadors from EEC member countries initiated official steps at the Cuban Foreign Ministry to assist dissident Maria Elena Cruz Varela, who was arrested last week.

Cruz Varela was arrested on 21 November after staging a series of "condemning events" in front of her home, located in the outlying Alamar District. According to dissidents sources, she is most likely under arrest at the state security headquarters in Villa Marista.

Last 10 May, Ms. Cruz Varela, a 35-year-old poet, started a petition, that was signed by 10 other Cuban intellectuals, calling for reforms in Cuba.

Diplomatic sources pointed out that the official request made to the Cuban Foreign Ministry was made on 22 November from the human rights perspective. The request was made by the ambassadors of the Netherlands, Italy, and Portugal, who represent the EEC.

Ms. Cruz Varela is head of the illegal "Alternative Criteria" group. According to a note signed by Elizardo Sanchez Santa Cruz, president of the also illegal Cuban Human Rights and National Reconciliation Commission [CDHRN], her arrest—and her later release—took place on 18 November. On 22 November, another "condemning event" took place in front of the home of Mr. Sanchez Santa Cruz, located in the Havana district of Marianao.

The well-known dissident acknowledged that he had been arrested twice in the past week: on 21 November in front of Ms. Cruz Varela's home and on 22 November in his own home.

According to the head of the CDHRN, other activists under arrest include Marco Antonio Abat, one of the 10 petition signers, and Alternative Criteria members Jorge Pomar and Fernando Velazquez.

In statements to AFP made on 25 November, Mr. Sanchez Santa Cruz pointed out that "this is an attack against the first opposition line: the moderate activists." He believes that Cruz Varela is the main target of such "attacks" because she distributed signed leaflets throughout Havana that read "for a true democracy, join the liberal opposition group Alternative Criteria."

Sanchez Santa Cruz reported that the printer's name, Gabriel Aguado, was written on the leaflets. Mr. Aguado is currently under arrest.

Exiled Group Denounces Arrest

PA2511200591 Madrid EFE in Spanish 1458 GMT 25 Nov 91

[Text] Madrid, 25 Nov (EFE)—In Madrid on 25 November, the Cuban Liberal Union denounced the arrest of dissident poet Elena Campos Cruz Varela, president of Alternative Criteria, as well as that of two other members of that opposition group in Cuba, which is part of the Cuban Democratic Coalition.

Maria Elena Cruz Varela, Fernando Velazquez, and Jorge A. Pomar were taken to the "Villa Marista, Cuba's infamous 'Lubyanka' jail." The reason for their arrest and their current status are unknown, Cuban liberals exiled in Madrid stated.

The Cuban Liberal Union denounced the raid on Cruz Varela's home by "the regime's paramilitary hordes," the so-called Rapid Response Brigades.

The Alternative Criteria president and those who were in her house were beaten and later taken to the Havana police precinct, from where they were released a few hours later with the warning that they could no longer meet in Cruz Varela's home, according to the Cuban Liberal Union.

The exiled Cuban liberals reiterated their appeal "to all governments, human rights groups and organizations, and political parties of the world to pay attention to the developments in Cuba, particulary regarding the personal safety of dissidents."

Quadrapartite Joint Commission Ends Work

PA2611024791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 25 Nov 91

[Excerpts] Members of the quadrapartite commission held a particularly important meeting at the Convention Center on 21 November. The Angola-Cuba-Namibia-South Africa joint commission ceases work as of this week. This closes a historical and most important chapter in southwestern Africa's history. Havana was the site of this 11th and last meeting of the commission, which first met in Luanda in February 1989.

Later, the sites of the meetings rotated, by alphabetical order. In addition, four special meetings were held because of specific situations that arose.

The representatives of these countries, of the United Nations, and of the observers—the United States and the Soviet Union—were confronted with such widespread

purposes that they seemed unattainable when the New York Agreements were signed in December 1988. [passage omitted]

As this fruitful work comes to an end, many years of political and armed struggle, which took a toll of sacrifice and human lives, have been recorded in southwestern Africa. The meaning of the Cuban people's solid assistance to other peoples as its capacity for achieving such important results was also evident and recorded in history.

Delegates Begin Arriving for News Agency Meeting

FL2611000891 Havana Radio Reloj Network in Spanish 2042 GMT 25 Nov 91

[Text] Representatives from countries participating in the 15th meeting of the organizing committee of the pool of news agencies in nonaligned countries, which will begin tomorrow, continue to arrive in our capital today. In a news conference, Manuel Miguel Carballo, president of the organization and of the ANGOLAN PRESS AGENCY, reported that the issue concerning the new world order for information and communication will be the focus of the meeting's debates, which will take place at the Habana Libre Hotel.

Carballo pointed out that due to changes in the world and the increasing distortion of information by the superpowers, it is most important that the pool news agencies fight with their own tools to bring the world the truth about nonaligned countries.

Carballo announced that Angola will begin broadcasting its news by satellite on 1 December.

WFTU Leader Allan Stern Comments on Blockade

PA2411193591 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Nov 91

[Recorded passages in French with superimposed translation into Spanish]

[Text] Allan Stern, assistant secretary general of the World Federation of Trade Unions [WFTU], recently participated in a Havana meeting of labor unions for the rights of workers in view of neoliberalism. Stern attended the meeting to signify the WFTU's solidarity with Cuban workers.

[Begin Stern recording] This is an opportunity for the WFTU Secretariat to express its solidarity with the Cuban unions, which are facing extremely serious difficulties. We want to let them know that they are not alone. [end recording]

Allan Stern talked about solidarity with Cuba and explained how the WFTU can contribute to the consolidation of the vast network of solidarity that has emerged around Cuba.

[Begin Stern recording] The WFTU has always shown solidarity with Cuba. This is not the first time we have been involved in this kind of campaign. A number of our national organizations have also carried out acts of solidarity; for instance, there is the shipment being prepared by several French organizations, including the General Confederation of Workers, which is a member of the WFTU.

Our organization's 12th Presidential Council unanimously agreed to talk to UN Secretary General Javier Perez de Cuellar about the blockade to see that this true aggression against the Cuban people is stopped. Everyone has the right to either agree or disagree with any government, but no one has the right to starve people to death. This is an unacceptable act that belongs to another era. It reminds me of the wars that took place in Europe when a castle was besieged for months so the occupants would die of starvation. The castle was then occupied by the aggressors.

We are about to enter the 21st Century and we are facing something absurd and inexplicable. That is why we, as well as the labor unions of the WFTU and other friendly labor unions, have decided to intervene and express our solidarity with Cuba. [end recording]

Castro Tours Agriculture Work Camp in Havana

FL2511182091 Havana Radio Reloj Network in Spanish 1502 GMT 25 Nov 91

[Text] Yesterday afternoon, Commander in Chief Fidel Castro visited the Havana municipality of Guira de Melena where he spoke with those mobilized to the Sonrisa de la Victoria agricultural work camp. Fidel talked to the men and women who, on a rotating basis, work at the camp for 15 days in support of the food plan. They were interested in the National Agricultural, Livestock, and Forestry Workers Union Congress to which the revolutionary leader gave detailed answers.

The commander in chief was interested in the planting of potatoes, tomatoes, as well as other crops. He was also interested in the progress made in the preparation of the land for planting and the cultural activities held at the plantations. Carlos Lage, member of the Politburo of the Communist Part of Cuba [PCC], Manuel Gavanes Godoy, first secretary of the PCC in that area, and others accompanied Fidel on his tour of Guira Municipality.

Isle of Youth Winter Planting Intensified

FL2511182891 Havana Radio Progreso Network in Spanish 1725 GMT 25 Nov 91

[Report by Orlando Alvarez Gomez]

[Text] The winter planting campaign has intensified this month on the Isle of Youth as part of the efforts made for the food program. With a task that includes more than 270 caballerias to be planted through February, the most ever, the Pineda Miscellaneous Crops Enterprise has planted more than 57 caballerias since October.

Winter planting is very important for agriculture on Isle of Youth because these crops guarantee 70 percent of the harvest of tubers, grain, and orchard products to be obtained throughout the coming year.

Vacant Lots Used for Cultivation of Crops

FL2511130091 Havana Tele Rebelde Network in Spanish 1200 GMT 25 Nov 91

[Text] In Havana there are more than 30,000 vacant lots and land not in use. They represent close to 400 caballerias of land feasible for cultivation. The problem was discussed at the Fourth Communist Party of Cuba Congress and it was decided that, while the land is not needed for construction, the lots will be loaned to retired persons, organizations, state institutions, or city workers for cultiviation.

Havana Notes Need for Efficiency in Work Place

FL2511213691 Havana Radio Rebelde Network in Spanish 1255 GMT 25 Nov 91

["Our Opinion" commentary read by Orlando Contreras]

[Text] The country is currently involved in serious negotiating efforts with foreign business to form, or in other cases, to establish joint enterprises in the necessary sectors. The reasons are very well known. We do not have the financial resources to make investments on our own. In other cases, we do not have markets that give us foreign exchange, and sometimes we lack the needed technology. On the other hand, the poor, underdeveloped, or developing countries—it makes no difference—cannot confront their development requirements with domestic savings alone despite what some specialists may say. Life shows us something different. In view of this challenge, which even includes the establishment of some of our businesses abroad utilizing those items for which we have the so-called comparative advantage, the modernization of specific knowledge is vital. We need to improve the levels of our businessmen, our buyers, sellers, international finance specialists, insurance, dealings with foreign banks here and abroad.

We lived many years with the certainty of safe markets and ensured supplies. This has ended. It also seems evident that we made an error which needs to be quickly corrected. Since we did not and do not have a market economy mentality, its philosophy —which is not a solidarity philosophy—we never learned how it operated. For example, I do not believe we have many marketing [preceding word in English] specialists. In the past we felt they were not necessary for us. The reality is, in business dealings in the Western world, where the only thing valued is profits without humanitarian considerations, there are elements which should not be confused with the essence of the selfish and savage essence of the system. One of these elements is efficiency.

Efficiency is not achieved without knowledge, without a great deal of work and dedication. We have the basic element for attaining efficiency: man. Our country has an enviable level of education among Third World countries. It is certain that our educational levels are not on par with our cultural levels, but it is also true that culture cannot be achieved without education. We are a country with no illiteracy, with a high scholastics level in the Third World, including many developed countries. But it is evident that we still need to improve our work ethic and the need for efficiency, which is accomplished as a result of many factors involved in the production process.

This is the critical challenge for now. Our enormous efforts to advance in this crisis depend on efficient, organized labor, on greater knowledge, and on the possession of the most valuable raw material, a work ethic.

Emulsion Plant Used in Fuel Conservation

FL2511201991 Havana Tele Rebelde Network in Spanish 1800 GMT 25 Nov 91

[Text] The biggest diesel-water emulsion plant in Santiago de Cuba is operating with efficient results at the Caney Livestock Enterprise to supply fuel for the vehicles belonging to the Ministry of Agriculture in the province.

With this emulsion process, the savings of petroleum obtained are approximately equal to the amount of water added, which can be as much as 15 percent. In other words, 100 liters of diesel can contain 15 liters of water. This does not affect the qualities of the fuel, and it provides greater power to the equipment which uses the mixture. Another of its advantages is the reduction of pollution.

This emulsion plant, designed by technicians from Ciego de Avila, was donated to Santiago de Cuba in honor of the Fourth Communist Party of Cuba Congress by the movement in support of the Sixth Spare Parts Forum and the Central Committee's Department of Basic Industry.

The plant also has a magnetizer. When used to treat the water before the emulsion process, it will cause the mixture to last 24 hours without separating.

Bahamas

Sir Henry To Retire; New Governor General Named

FL2511185791 Nassau Bahamas Radio Network in English 1800 GMT 25 Nov 91

[Text] The cabinet office announced today that Sir Henry Taylor will retire as governor general on the 1st of January next year. It has also been announced that Her Majesty the Queen has approved the appointment of Sir Clifford Darling as the next governor general.

Barbados

Sandiford Addresses Nation, Replies to Criticism

FL2511150391 Bridgetown CANA in English 1350 GMT 25 Nov 91

[Report by Reudon Eversley]

[Text] Bridgetown, Barbados, Nov 24, CANa—Barbados Prime Minister Erskine Sandiford, responding Sunday night to calls for his resignation, restated his intention to serve the full five-year term he received in general elections last January. In clear reference to private sector calls for him to step down, Sandiford told the nation on radio and television:

"I was not elected in a board room and I will not be removed through such a process. Let me make it abundantly clear. I intend to carry out the mandate which I was constitutionally given. That is where I stand."

Sandiford's address followed charges over the past weeks that his mismanagement was responsible for a current economic crisis which has caused the government to seek help from the International Monetary Fund (IMF). As the population reacted to austerity measures related to the IMF adjustment programme, calls for Sandiford's resignation were also made by some trade union leaders, opposition political parties, critics within the ruling Democratic Labour Party (DLP), and callers to popular call-in radio programmes.

Sandiford used most of his speech to reply to the criticisms. He also updated Barbadians on the status of negotiations with the IMF for U.S. 58.1 million dollars in balance of payments support. Sandiford said he had demonstrated "sound leadership" by moving to correct the problems facing the country.

"...That is what sound leadership is all about: to identify problems and to correct problems. That is what you elected me and my government to do only some 10 months ago."

He added: "...Let no one fool you. Irrespective of who holds office as prime minister and minister of finance, strong measures must be instituted."

In refuting the many criticisms of his leadership, Sandiford used frequent comparisons of economic conditions under the 1976-1986 government of the current opposition Barbados Labour Party (BLP) which led Barbados into an IMF agreement in 1982. He said the fiscal deficit in 1981-82 had soared to the highest level of 9.1 per cent of Gross Domestic Product (GDP) under the administration of the late Tom Adams, but had fallen to the lowest level of 2.3 per cent of GDP in 1989-90 under his leadership.

Sandiford said the downturn in the economy was not the result of his mismanagement but was a spin-off from the recession in the industrialized market economies of North America and Europe on which Barbados is dependent. He noted that from 1986 to 1989 when the economy achieved positive growth, there were no charges of mismanagement. He also asked why there were no charges of mismanagement against the BLP government in 1981 and 1982 when negative growth was recorded and in 1983 when the economy grew sluggishly at 0.5 per cent.

In relation to the charge that he misled Barbadians about the state of the economy to secure the DLP's re-election for a second term last January, Sandiford referred to five of his speeches between January 1989 and January 21, 1991 to support his contention that the charge "is patently not true."

Sandiford also noted that when he had introduced measures prior to the austerity package to deal with problems in the economy including the fiscal deficit, his opponents had described the measures as "too harsh" but were now saying he had not done enough. He accused his opponents of practising "convenience" politics.

Sandiford said IMF approval of the adjustment programme had been delayed by changes the government had requested in relation to concessions to the manufacturing sector, unemployment, and severance benefits. Protests, including a two-day general strike, had focussed on these issues following the announcement that unemployment and severance benefits had been slashed and duty concessions to manufacturers withdrawn.

Sandiford said the changes carried a "price tag which had to be paid for" but gave no estimates. He said a team from the World Bank would be here in two weeks to discuss financing for a programme to resuscitate the ailing productive sectors. The amount was not disclosed. Sandiford also said he had complained to the World Bank about reference in a report to election spending which was portrayed as a factor in the current difficulties here. He said a senior bank official had promised that a formal apology would be forthcoming.

Sandiford said now was "a time for healing" in Barbados. He said 53 other countries were undergoing IMF programmes, and Barbados too could do it.

"...I know that these are trying times. But we shall emerge as a stronger and a more vibrant nation," he said.

Opposition Criticizes Address

FL2511180091 Bridgetown CANA in English 1652 GMT 25 Nov 91

[Text] Bridgetown, Barbados, Nov 25, CANA—Opposition leader Henry Forde has said a 50-minute defence by Prime Minister Erskine Sandiford against criticism of his economic management was a waste of the public's time. "Except that the speech (Sunday night) further illustrated how unsuitable Sandiford is to lead the country, paticularly in times of crisis, it was a waste of the time of the Barbadian public and an exercise in avoiding all of the issues of the day," Forde said.

Sandiford's broadcast address reiterated his rejection of private sector and opposition party calls for his resignation over an International Monetary Fund (IMF)-backed austerity programme intended to correct major economic imbalances. Sandiford, who began a new, five-year term after a comfortable January 22 election victory, dealt largely with criticisms of his management of the economy, declaring that "irrespective of who holds office as prime minister and minister of finance, strong measures must be instituted."

Forde charged "there was no discussion of the present state of the economy, nor was there even the slightest attempt to suggest that anything was being done in relation to the present crisis" other than a bid to obtain unspecified changes to a letter of intent drafted with help from IMF technicians.

Referring to recent dissention within some branches of the ruling Democratic Labour Party (DLP), Forde said Sandiford's address did not even discuss "the state of turmoil" within the party. The opposition leader said there was lack of confidence in Sandiford within the ruling party and among the wider public and that nothing in the speech, "including distortion of the clearly stated criticisms of the World Bank and the Inter-American Developemnt Bank" would rebuild confidence.

Forde repeated charges that Sandiford, who is also finance minister, failed to act in timely fashion to avert a rapid decline in foreign reserves, which led to pressure on the exchange rate.

"He spent massively to win the 1991 election, ran up a huge deficit, and financed the majority of it through the Central Bank, thus causing the present crisis," Forde said.

Cayman Islands

Cuban Refugees Arrive Following 3-Day Voyage

FL2511181891 Bridgetown CANA in English 1657 GMT 25 Nov 91

[Text] George Town, Grand Cayman, Cayman Islands, Nov, 25, CANA—Twenty-one Cuban refugees, including six women and five children, landed safely in the Cayman Islands on Sunday afternoon following a three-day boat trip from Cuba. The refugees, none of whom spoke English, said they sailed their 23-foot wooden fishing vessel from Cuba on Thursday, November 21.

Speaking through an interpreter, the Cubans said they were fleeing the economic hardships of their homeland. They said they left from the Havana area, but instead of heading north to the United States, they turned south to the Caribbean because of the large number of Cuban patrol boats they would have encountered attempting to get to the United States.

Instead of a 90-mile journey from Havana to Key West, they made a trip of approximately 300 miles to reach this British territory in the western Caribbean. The Cayman Islands are about 150 miles south of Cuba. They said their crossing was uneventful.

Cayman authorities said the group will be processed as political refugees and will probably be sent on to another country, most likely the United States. Those with relatives in the Cayman Islands are usually permitted to remain. In the past 18 months, more than 50 Cubans have escaped their homeland to the Cayman Islands.

Dominican Republic

Balaguer Replaces General Staff Army Chief

FL2511183791 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 25 Nov 91

[Text] Yesterday, the president of the Republic substituted Major General (Francisco Carobrito) as chief of general staff of the National Army. The high-ranking officer stopped serving as director of the most important military institute. He was replaced by provisional [transitorio] Major General Jose Emilio Guzman Fernandez.

The change, authorized in Decree No. 43291 and issued by the chief of state, was an unexpected change within the military stratum. (Francisco Carobrito) had served as chief of general staff of the National Army since August 1990. He has not been assigned new duties.

Jose Emilio Guzman Fernandez, brigadier general of the National Army, served as the commander of the Fourth Military Brigade stationed in Mao, Valverde. With the promotion of Guzman Fermandez, Colonel Rafael Antonio Alegria Perez was also promoted. He will become the commander of the Fourth Military Brigade. Up to yesterday, Alegria Perez was the chief of security for the Dominican Electric Company and will reportedly assume his new command in Mao in the next few hours.

Haiti

Failure Reported in Cartagena Talks

FL2511180791 Port-au-Prince Tropic FM in French 1400 GMT 25 Nov 91

[Text] There was a persistent uncertainty about the results of the inter-Haitian negotiations yesterday afternoon in Cartagena as the two parties did not manage to agree on a final common text.

The document, prepared by a group of six negotiators, was not approved by Father Aristide and the Port-au-Prince parliamentary delegation headed by Senate President Dejean Belizaire and Chamber of Deputies President Duly Brutus. The problems of the embargo against Haiti and the problem of President Aristide's possible return to his country remained the two key

problems. A reliable source reported that the parliamentarians refused the principle of Aristide's return to Haiti and that they insisted, on the contrary, that at least an allusion to the lifting of the embargo be made.

The head of the OAS mission for a solution to the Haitian crisis, Mr. Augusto Ramirez Ocampo, spared no efforts to find a solution at the talks.

Last night, on their return to Port-au-Prince, several parliamentarians who participated in the inter-Haitian discussions in Cartagena attributed the failure of these discussions to the intransigence of ousted President Jean-Bertrand Aristide. One of them, namely Deputy Deus Jean-Francois, said Father Aristide refused to sign a joint declaration at the last minute. Mr. Pierre Simon Georges, another deputy, called Father Aristide a traitor to the deprived he is supposed to represent.

Chamber of Deputies President Duly Brutus told Radio Nationale: Unfortunately, we did not succeed in reaching a solution despite our goodwill, but we hope the embargo will be lifted very soon.

Deputy Favors Continuing OAS Embargo

FL2511183191 Port-au-Prince Tropic FM in French 1630 GMT 25 Nov 91

[Text] The deputy from Limonade and Quartier Morin, Mr. Jude Marie-Jacinthe Jean-Baptiste, stated today that he is in favor of maintaining the embargo against the Haitian de facto authorities.

In a statement to our listeners, Deputy Jean-Baptiste suggests as a condition for the suspension of the OAS sanctions the lifting by the Nerette-Honorat government of the embargo on speech, on mass demonstrations, and the embargo on the free choice made by the population last 16 December 1990.

Anti-Embargo Protests at U.S. Embassy Planned

FL2511224291 Port-au-Prince Radio Nationale in Creole 1400 GMT 25 Nov 91

[Statement by Reverend Richard Vladimir Jeanty, leader of the Haitian Party of God, in Port-au-Prince on 25 November—recorded]

[Excerpt] [passage omitted] Praise to God, who is doing so much work. We have far more reason to rejoice today because God has given the OAS, the U.S. ambassador, and all the other people present evidence that Aristide is a very, very spiteful person; that he is a nasty, embittered, stingy man. For the first time, he had the opportunity to do something for the Haitian people—to have the embargo lifted—but he deprived his people of relief, failed to soften their woes, because doing so would not have included his return to the Presidency. May God's name be blessed because he has allowed everyone to see who Jean-Bertrand Aristide really is.

For this reason, we will gather at Quai Colomb on Thursday morning, 28 November, at 1000 to stage a demonstration. We will march past the Venezuelan Embassy and the U.S. Embassy. We will let the U.S. Embassy know that they have no reason not to lift the embargo now that they realize who Aristide is, now that they have seen what kind of person he is. They have seen the nastiness, rage, and hatred in his heart. They, therefore, have no excuse. On Thursday morning, all of you, no matter where you live, will have to make whatever sacrifice you must to participate in this great attempt to convince the Americans to lift the embargo. [passage omitted]

Militants Urge Burning Canadian, U.S. Consulates

FL2511173191 Port-au-Prince Radio Nationale in Creole 1400 GMT 24 Nov 91

["Press Release" issued by the asylum-seekers occupying the Canadian Embassy in Port-au-Prince, date not given—recorded]

[Excerpt] One of the main items in the news today is the question of the 19 lavalas [avalanche] militants that have occupied a room of the Canadian Consulate in Haiti. The 19 lavalas militants are armed with grenades and automatic weapons. They have occupied the waiting room of the Consulate of the Canadian Embassy in Port-au-Prince since 20 November 1991.

These militants announced on the morning of 22 November that they had asked Venezuela for political asylum after the Canadian Government refused to grant them the status of political refugees. It is reported that Ottawa has spoken of threats, threats made by some of these militants against members of the diplomatic personnel working at the embassy, and their links to a Haitian radical group that has relations with Cuba and Libya.

We must also say that after the Canadian Government refused to grant them political asylum, they handed a notice over to all the comrades. Comrade is a word designating their partisans who are fighting for the same system, partisans who are fighting for the application of the same communist line.

The note says: We, members of the United Militants Front [FMR], offer congratulations to all staunch militants who remain faithful to the people's struggle and take the opportunity to denounce the Canadian Embassy for the rebuff it gave to our brothers and sisters who are fleeing the death forces.

They say that they are asking that the Canadian Consulate, located in Delmas 18, be burned so that Haiti can be freed from all imperialists, so the social revolution can occur because the macoutes, the CIA, [words indistinct] will not be allowed in the political scene.

They go on to say: We in FMR and all young men and women who feel (?courageous enough) to move ahead so

the socialist revolution can occur—let us get ready to burn the American Consulate as well. We greet them [not further identified] in the names of Charlemagne Peralte, Benoit Batraville [Haitian national heroes], Titide [Aristide nickname], Mu'ammar al-Qadhdhafi, and Castro. [passage omitted]

Security Forces Deployed at Canadian Embassy

FL2511175291 Port-au-Prince Radio Galaxie in French 1230 GMT 25 Nov 91

[Text] An impressive security presence, deployed to the Canadian Embassy in Port-au-Prince yesterday, 24 November, is still obvious this morning. Armed policemen and soldiers in battle dress are in front of the premises and maintaining their watch. These security measures have been taken to protect the residents and the stores in the neighborhood.

There are some reports that the 19 youths in the embassy may possess weapons or grenades.

On 23 November, these youths, who entered the embassy waiting room, used force to get inside the premises by breaking a door. The door giving access to the premises was broken by repeated blows with a metal object that could have been a fire extinguisher, according to an embassy spokesman.

Early yesterday afternoon, the 19 youths asked for Red Cross intervention to leave the consular premises. A spokesman for the group specified that some of them were sick and needed the help of the Red Cross. He also mentioned that the group received the assurances of Army Commander in Chief General Raoul Cedras that they would not be arrested when they leave the consulate. He also said that the group was afraid of the soldiers surrounding the embassy. On Friday, a government representative in Ottawa stated that Canada would wait for the necessary time for the embassy occupation to end.

Salinas Seen as Best Latin American President

PA2511200491 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 22 Nov 91

[Text] The Univision Television Network and the newspaper LA OPINION conducted a joint poll indicating that President Carlos Salinas de Gortari is the most successful president of Latin America, according to those who voiced their opinions.

The poll, which did not specify the number of persons consulted, showed that President Carlos Salinas de Gortari is the top leader negotiating the so-called economic reform for free trade. The polls adds that the popularity of the Mexican president can only be compared to the popularity achieved by President George Bush during his peak rating at the time of the Persian Gulf war.

Gortari, Indonesian President Hold Talks

BK2311101791 Jakarta ANTARA in English 0736 GMT 23 Nov 91

[Text] Mexico City, Nov 23 (OANA-ANTARA)—Indonesia and Mexico are seeking a chance to enhance cooperation ties between the two nations, Minister/State Secretary Murdiono said here on Friday evening (local time) or Saturday morning in Indonesia.

Briefing Indonesian newsmen on results of Thursday's talks between President Suharto and Mexican President Carlos Salinas de Gortari, Murdiono further said that the discussions between the two leaders took place in an atmosphere of mutual understanding.

They not only touched on matters relating to bilateral problems, but also regional and international issues, said Murdiono in front of the Museum of National History and Anthropology here, which was just visited by the head of state and Madame Tien Suharto.

During the meeting, President Suharto briefed the Mexican leader on the current development programs in Indonesia, while President Salinas de Gortari explained his country's economic policies, said Murdiono.

Therefore, he went on, the two leaders expressed their willingness to seek a chance for the enhancement of the existing cooperation ties between the two countries.

According to Minister Murdiono, Mexico had expressed its interest in buying coals from Indonesia to meet the increasing demand of energy sources, while Indonesia wanted to import pellet for its steel industry.

On that occasion, the Mexican leader also queried about ASEAN and its developments and he hoped to take benefit from the ASEAN regional cooperation for the promotion of regional cooperation in Central America, Murdiono said.

During the meeting, Minister Murdiono said, President Suharto also invited President Salinas de Gortari to pay a state visit to Indonesia and the Mexican leader warmly accepted the invitation.

"The president's invitation was warmly accepted by the Mexican president and he hoped that the visit could be realized in the near future," said Minister Murdiono.

Meanwhile, Foreign Minister Ali Alatas said on separate occasion at Hotel Camino Real on Friday evening that Mexico has expressed its willingness to join the Asia Pacific Economic Cooperation (APEC) since the Asia-Pacific region had an important role to play in the future.

In a meeting with Mexican Minister of Foreign Affairs Solana Morales, Alatas said, the two sides agreed on the need for the strengthening of the role and structure of the United Nations in anticipation of the new world order.

Both Indonesia and Mexico, he went on, also agreed on the need of intensifying the North-South dialogue and the enhancement of cooperation among developing nations in the current uncertain economic situation.

Concerning obstacles hampering the two countries in enhancing their cooperation ties, Minister Alatas said that the two foreign ministers were of the opinion on the need of taking necessary steps, like the simplication of visa granting procedures for Indonesian businessmen willing to visit Mexico.

According to Alatas, Indonesia has granted free visas for Mexicans who were going to visit Indonesia.

To boost mutual understanding between the nations, the teaching of each others language should be encouraged, he said.

In this connection, he went on, three Mexican officials would soon be sent to Indonesia to study Indonesian language and culture.

Answering a question, Minister Alatas said that East Timor issue in the United Nations was not discussed during his meeting with his Mexican counterpart.

In the meantime, Coordinating Minister for Economy, Finance and Industry Radius Prawiro told newsmen that Mexican businessmen were willing to help promote Indonesia's economic potentials.

"But they face difficult banking procedures as every LC (Letter of Credit) opened in Mexico should be endorsed by a third party in the United States or in Europe. It is due to large amount of Mexico's foreign debts," Prawiro said.

The Mexican Government, he said, hoped that it could directly open LC to Indonesia since Mexico had been able to repay in stages its foreign debts.

Indonesia accepted the Mexican willingness to directly open LC, but the officials of the two governments should firstly discuss the issue by involving banking officials of

the two countries, said Minister Prawiro in a briefing to Indonesian journalists on his talks with Mexican Government officials and businessmen.

He said that the Mexican willingness should be supported in an effort to promote South-South cooperation.

Meanwhile, President Suharto in Mexico City on Friday visited the National Museum of Anthropology, one of the most important museums in the world.

The head of state and his entourage spent about one hour in the museum which keeps among other things relics of the civilization of the Maya and Aztec tribes inhabiting Mexican areas hundreds of years B.C.

Inaugurated by President Aldolfo Lopez Mateos in 1964, the museum covers a total area of 70,000 square meters, 40,000 square meters of which are for the main building.

Earlier in the day, President and Madame Suharto visited the Young Heroes Monument (Monumento A Los Ninos Hero) which is located in front of Chapultepec Palace.

"Only nations who respect their heroes could become great nations," President Suharto wrote in the guest book of the monument.

Following the visit to the monument, the Indonesian President visited the governor of Mexico and received a key of the city as an honour.

A big crowd and cheerful Mexican traditional dances greeted the president and his entourage in front of the city hall.

Measures To Control Air Pollution Outlined

PA2511163791 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 22 Nov 91

[Text] Mexico City Mayor Manuel Camacho Solis announced the most ambitious program to fight air pollution in Mexico City. The plan includes severe measures, such as the suspension of fuel oil sales beginning 1 December; adjustment of school hours; a 30 percent decrease in power generation; and even the suspension of all activities when pollution reaches emergency levels. Camacho made the announcement before Patricio Chirinos, the secretary of urban development and ecology [SEDUE]; the director general of Mexican Petroleum [Pemex]; a representative of the government of the State of Mexico, and other government officials.

[Begin Camacho recording] All industries and services in the metropolitan area will contribute to the fight against pollution through difficult measures, but which are the fastest and most effective ways to reduce industrial air pollution. Pemex will suspend all sales of fuel oil within the metropolitan area beginning 1 December. Fuel oil will be replaced by gas oil, which is a higher quality fuel.

Beginning December 1991, there will an average 30 percent decrease in electricity generation at the thermal-electric plant located within the metropolitan area. On 23 November, generator no. 4 will be shut down. The Mexico Valley thermal electricity plants will use at least 96 percent natural gas as fuel. The operation of private and public hospital incinerators will be programmed. They will only operate when the best dispersion conditions prevail.

Mexico City metropolitan authorities will take decisive administrative measures to prevent cars in bad condition to operate in the area. Beginning this winter, cargo vehicles will be permitted to convert to natural gas. All federal agencies have promised to reduce official vehicle use during the winter by at least 30 percent. As an equity measure, gasoline vouchers for all high-level public officials are suspended. Businesses will be allowed to operate at flexible times to reduce traffic.

Fuel distribution schedules will be modified. Pemex cistern-trucks will make fuel distribution rounds during the evening and night only. Public transportation will be extended during the winter. Classes will be suspended whenever contamination levels are very high, in accordance with the environmental contingency plans. School schedules will change during the winter, so children will start classes at 0900.

The possibility of precise forecasting is increased as the SEDUE will be constantly monitoring the air quality and the development of weather conditions.

If the dispersion condition forecast becomes worse, and the contamination levels reach between 350 and 450 points, additional measures will be implemented. These measures are: a 75 percent reduction of activities at critical industry sites; a 50 percent reduction of activities at the remaining industries, as previously agreed; a suspension of activities at public schools and offices, cinemas, theaters, night clubs, commercial businesses that do not deal in food products, and places with the highest consumer traffic. Vehicles not showing the proper color sticker will not be authorized to operate. The color will be determined by a drawing and the restriction will be effective for two days under emergency conditions.

If the contamination forecasts are greater than 450 points, there will be no school or work throughout Mexico City's metropolitan area. [end recording]

Costa Rica

Finance Minister Comments on Budget Deficit

PA2511193291 San Jose LA REPUBLICA in Spanish 14 Nov 91 p 4a

[Interview with Finance Minister Rodolfo Mendez Mata by LA REPUBLICA reporter Wilmer Murillo; place and date not given]

[Text] [Murillo] As the new finance minister, will you handle public finances in a political manner?

[Mendez] On the contrary. My sense of responsibility tells me that matters must be handled technically. This does not mean that the measures to be adopted will not consider the political analysis that all government actions require.

[Murillo] In what areas will you concentrate your work as finance minister?

[Mendez] The fiscal problem should be considered from all points of view. We must strive for increased tax collection. The administration must have stronger instruments of control. There is a great need to solve the fiscal problem. This implies strict control of expenses, and inasmuch as this is a structural problem, we must continue with our efforts to modernize the state organization so we will be able to make adjustments in the imbalance between revenues and expenses.

[Murillo] Do you think you have the technical and political abilities to negotiate with the various internal and external organizations, and to say no to the ministers who demand luxury vehicles, bars in their offices, abuse the use of official vehicles, and demand other frills at the expense of the poor?

[Mendez] It is difficult to evaluate oneself, but I am not an official that can be described as an irresponsible person. I do not know of any minister who has requested a luxury vehicle. Changes will not be made unless they are justified. I do not believe ministers have special privileges. They are fulfilling a mission, many times they must do public relations that, far from being a treat, demand very long working hours. I do not think this is the main source of the imbalance, but if I detect abuse of privileges, I will see to it that they are abolished.

[Murillo] I was asking you about that, because one must have moral authority to demand sacrifices from the people.

[Mendez] I feel we must practice what we preach. I feel that the ministers made a sacrifice when they refused a salary increase.

[Murillo] Did the resignation of your predecessor open the way for dialogue and consensus to approve the necessary measures?

[Mendez] I would not say that. I believe the country was demanding a better atmosphere for dialogue, and the president made that decision even before Thelmo resigned.

[Murillo] I hear there is a contradiction between social and economic aspects. How would you solve that dispute?

[Mendez] This stems from a misinterpretation made at the beginning of this administration. There is only one president and only one Council of Government. The economic and social organizations merely support the president's work.

[Murillo] How will you handle the 50 billion colones deficit in 1992?

[Mendez] I regret this situation has been mentioned. I will take this opportunity to say that the 1992 deficit is not that high. When that figure was mentioned, several factors had not been considered, such as the revenue resulting from the reduction of the Tax Credit Certificates [CAT], the reforms to the teachers retirement law, the banana tax, and several expenses that were eliminated.

[Murillo] By how much do you intend to cut the deficit?

[Mendez] We plan to cut the deficit by 1 percent of the Gross Domestic Product (GDP), which amounts to approximately 7 billion colones.

[Murillo] Have you determined how much revenue will result from these reforms?

[Mendez] Between allowances, CAT, and banana taxes, we expect to receive approximately 7 billion colones. The intended cut in tax abatements will result in an additional 10 billion colones.

[Murillo] Will the government face serious revenue shortages in 1992 due to the elimination of the import surtax, guarantees, as well as the 1 percent cut in sales tax?

[Mendez] We have already considered the reduction in surtax revenues. Guarantees are very important in controlling imports, but we have other mechanisms that can serve the same purpose. These include restricting debt monetization and the fiscal deficit.

[Murillo] The Office of the Comptroller General reports that unfair taxation is so serious that indirect taxes increased from 42 percent in 1983 to 71 percent in 1990. How do you plan to reverse this trend?

[Mendez] I agree that this is one of the most unjust issues taking place in Costa Rica. Vice Minister Carlos Munoz is seriously analyzing this issue. In addition, we plan to request the assistance of the Comptroller General's Office to correct this deficiency.

[Murillo] What does revenue efficiency entail, and what can the country expect from it?

[Mendez] We must outline an objective, then introduce legislation that will lead to an annual percentage increase in revenues and also help stop tax evasion. We currently have numerous tax laws, 10 of which produce 93 percent of fiscal revenue. The government will have to propose the elimination of most of these laws and concentrate on those that are efficient and important.

[Murillo] How much must fiscal revenue increase?

[Mendez] The percentage increase must be somewhere between 5 and 10 percent, compared to 1991. Of course, this includes discounting the increases caused by inflation.

[Murillo] How do you plan to confront the internal debt issue?

[Mendez] We had anticipated doing this by using the privatization mechanism. There is not much consensus regarding this mechanism. There must be in-depth analysis of the issue to allow us to discuss and consider this problem. The government leadership must agree on a system that will allow us to cut this debt that currently is 105 billion colones. The principal and interest we pay already absorbs one third of the budget.

[Murillo] Does the government have a credibility problem, and what does it plan to do about it?

[Mendez] I believe that at one time the government's credibility was seriously questioned. These doubts were dissipated with the president's statements, and the changes made in the cabinet.

[Murillo] How are your relations with the president of the Central Bank?

[Mendez] I have a personal and professional appreciation for Jorge Guardia. This administration's economic policy was outlined due to his efforts. He has a clear and technical understanding of the situation. I hope to rely on his reasoning, as well as my personal opinion to perform necessary tasks.

[Murillo] Will interest rates decline next year?

[Mendez] I see no reason why interest rates should remain high. Gradual cuts should be stimulated to show Costa Ricans the direction the country needs to follow.

[Murillo] What will be done to cut inflation?

[Mendez] If we can control the fiscal deficit, and I believe we have achieved this, as the figures demonstrate, we are headed toward controlling inflation.

[Murillo] Do you believe in price control?

[Mendez] A lot of false statements have been built around this issue. I believe consumers are the ones who must be protected, but they would benefit by the suspension of price controls. Of course, I also believe that the cost of the basic staples basket should be kept in check.

Nicaragua

Lacayo Responds to Assembly President's Remarks

PA2511175791 Managua BARRICADA in Spanish 20 Nov 91 pp 1, 8

[Text] Tensions between Presidency Minister Antonio Lacayo and Legislative Assembly President Alfredo Cesar escalated on 19 November when Lacayo said that Cesar could wait "until the 21st century" for the executive's response on the Property Law.

Lacayo, using unusual harsh and tough language, indicated that Cesar's (his brother-in-law) problem is that he does not have "nor will he ever have" enough votes to reject the presidential veto on the Property Law (133).

"So, he can continue waiting all the time he likes...I think I have made myself quite clear," Lacayo—forcing a smile—added when questioned at the end of the inauguration of the Central American "first ladies" meeting held at the Olof Palme Convention Center.

This incident started months ago when Cesar—ignoring the National Dialogue Agreement—sponsored the approval of Law 133 on the property issue at the Legislative Assembly. President Chamorro vetoed the law and Cesar threatened to reject the veto by a vote of the full assembly.

In the middle of the crisis between the two branches, Lacayo and Cesar met and agreed that both powers could make the necessary reforms to Law 133 to make it "acceptable."

Nevertheless, Cesar announced that if the executive did not send its reform proposals to the Legislative Assembly, he would initiate a vote to reject the presidential veto. He did not do this arguing that he would "wait a few more days...until the end of November for President Chamorro to send her proposal."

Lacayo with unusual sarcasm asked: November...did he say November...of what year? The Presidency minister added, "It was agreed that a government-Legislative Assembly commission would work together to reach common ground on the property law. Now, if they want to wait, they can continue waiting," Lacayo said.

"He (Cesar) does not have the necessary (46) votes because the majority of the deputies want to find a law that is acceptable for all," insisted Lacayo, making reference to at least 12 National Opposition Union deputies who have turned their backs on Cesar, thereby supporting the executive and agreeing with the Sandinist wing.

On another subject, Lacayo said that the corruption cases of Tony Ibarra and Noel Vidaurre, deputy ministers of the Presidency and economy respectively, are being "personally handled by President Violeta de Chamorro."

Lacayo added that Ibarra, who had promised to return from El Salvador to reply to accusations experienced "health problems" and traveled to Washington presumably to receive medical attention.

When asked about the corruption cases that the Comptroller General's Office announced will be disclosed, Lacayo said: "Why mention the word corruption? Those are accusations, which is good. The Comptroller General's Office must investigate those accusations, and we will see what comes out of the investigations. That is not corruption!"

Army Launches Operation Against Recontras

PA2611002191 Managua Radio Ya in Spanish 1200 GMT 25 Nov 91

[Text] The Sandinist People's Army [EPS] has launched a large-scale operation against the recontra group led by El Indomable [Jose Angel Moran Flores]. As a result, three persons have been killed and four have been wounded.

Following orders issued by Violeta Chamorro's government, the EPS has been persuing the group that on 13 November destroyed several state-owned vehicles in the northern part of the country.

EPS Spokesman Lieutenant Colonel Ricardo Wheelock said that the actions carried out by El Indomable are criminal actions. He added that—following government orders—the Army is determined to challenge El Indomable.

Sandinist Deputy Staged Attack on Himself

PA2411172291 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 20 Nov 91

[Report by Vilma Estrada]

[Text] The National Assembly's Defense and Government Commission on 20 November heard charges made by Sandinist Deputy Omar Cabezas against Deputy Government Minister Jose Pallais, who Cabezas said accused him of staging an attack on himself.

[Begin recording] [Deputy Frank Duarte, president of the Defense and Government Commission] We call on Deputy Government Minister Jose Pallais Godoy to respond to Deputy Omar Cabezas' allegations.

[Cabezas] If the commission and Mr. Pallais cannot prove their allegations, then the president will have to take the appropriate course of action. We cannot allow a deputy government minister to make accusations of a staged attack. It is strange that I was sent three guards to protect me from my own attack. [end recording]

The Defense Commission agreed to summon Deputy Government Minister Jose Pallais and Police Chief Rene Vivas.

Fishing Industry Privatization Announced

PA2511152191 Managua Sistema Nacional de Television in Spanish 0200 GMT 22 Nov 91

[Text] The director [not further identified] of the fisheries department announced the forthcoming privatization of the fishing industry. The official made the announcement following the opening ceremony of the Eighth Conference of Ministers of the Latin American Organization of Fisheries Development [Oldepesca] held on 21 and 22 November at the Olof Palme Convention Center.

Shortly after dedicating the Eighth Oldepesca Conference, the president of that organization delivered to President Violeta Chamorro the strategic plan for the organization and development of fisheries in Central America, which Chamorro will present during the forthcoming presidential summit in December.

[Begin Chamorro recording] The rational and constant development of fishing resources should not destroy natural resources. On the contrary, man should comply with the minimum requirements imposed by nature for the reproduction of species, allowing for preservation to protect future generations. [end recording]

Seventeen Latin American countries are attending this eighth congress that seeks to issue resolutions to strengthen projects ranging from fishery development and handling resources to helping individual fishermen. When the director of the fisheries department spoke, he stressed that surveillance of the coasts to control piracy is necessary. He requested the creation of a regional organization for this purpose.

[Begin fisheries director recording] We hope this conference will issue a resolution creating a control and surveillance organization that will protect the sovereign rights of each country. [end recording]

He expressed the hope that the plans of the Oldepesca member countries will be implemented and the resolutions will include solutions to existing problems.

Leon's Radio Dario Officially Back on Air

PA2411204491 Managua Radio Catolica in Spanish 1130 GMT 20 Nov 91

[Report by Dr. Agustin Diaz Morales from Leon]

[Text] We would like to report to the listeners of Radio Catolica that Leon's Radio Dario officially came back on the air on 20 November. On 19 November Radio Dario broadcast a test signal to the western region of Nicaragua and to areas of Managua. Juan Toruno Calderon, owner of Radio Dario, received numerous calls from people who were pleased that the radio station of democracy in the western region was back on the air.

According to Toruno, damage to the station has been estimated at $61,750. The people of Leon have made small contributions to the station, despite the serious

economic crisis. Toruno said he is going to issue a bond, to be called the dignity cordoba [el cordoba de la dignidad], so all people in the western region can contribute to Radio Dario's reconstruction.

Reverend Ricardo Juarez, who represents Monsignor Bosco Vivas Robelo, called Radio Dario to broadcast a message of joy because, according to Juarez, Radio Dario is the voice of the church in Leon. The station also received phone calls from Reverend Noel Buitrago and intellectual Dr. Edgardo Buitrago Buitrago.

People living in the western region will once again be able to listen to their favorite radio station, Radio Dario, while in their factories or workshops.

Panama

Labor Official Urges Extension of U.S. Presence

PA2511161591 Panama City LA PRENSA in Spanish 23 Nov 91 p 16A

[Article by Elio A. Rujano M.]

[Text] Members of Local 907 [Armed Forces Employees Union] asked President Guillermo Endara to include the question of renting the military bases to the United States after 2000 on the plebiscite on the Constitutional reforms scheduled for April 1992.

Ray Bishop, secretary general of Local 907 said: "It is necessary that the U.S. bases remain in Panama to solve the unemployment problem."

Bishop told LA PRENSA that the rental of the military bases represents $600 million per year to the economy and generates 6,000 permanent jobs to Panamanians and another 6,000 temporary jobs for contractors, franchisers, and domestic workers.

"Panamanians need to find other ways to generate jobs so we will do everything possible to retain the bases," Bishop noted.

"There is a 28 percent unemployment rate, however, President Endara's administration has not been able to generate new jobs and it is avoiding the problem," Bishop said. According to Bishop "the bases are one of the best job generators in Panama."

According to the Torrijos-Carter Treaties signed in 1977, the United States will revert the bases to Panama gradually so that by 31 December 1999, there will not be one U.S. soldier left in this country.

The treaty states that the rental of the bases could be extended as long as the parties agree. Nevertheless, neither one of the governments have proposed a renegotiation.

The United States maintains 10 bases on the Atlantic and Pacific coasts, 10,000 permanently based soldiers, and 2,500 civilian employees for the defense of the canal.

Many U.S. bases in other nations are being closed due to budget reductions by the U.S. Congress, as well as to the changes in the political world. These changes eliminate the need for the bases, particularly in light of the rapprochement between Washington and Moscow.

"These bases can be used to control drug trafficking in Panama, given that the United States is the final destination of the majority of these shipments," Bishop stressed.

Bishop also mentioned that two U.S. republican congressmen, Philip Crane and Larry Craig, asked President George Bush to negotiate with the Panamanian Government on the extended presence of the U.S. bases to fight drug trafficking.

PRD Leader: 'Judicial Terrorism' Against Party

PA2511161391 Panama City Radio KW Continente in Spanish 1200 GMT 22 Nov 91

[Text] Democratic Revolutionary Party [PRD] President Gerardo Gonzalez described the seizure of property of 15 former PRD legislators by the Directorate for the Recovery of State Property [DRP] as terrorism.

DRP Magistrate President Dr. Eduardo Lombano ordered the seizure of property, furniture, and real estate illegally acquired by 15 former PRD legislators. Gerardo Gonzalez, president and legislator of that opposition political group, charged that this is part of the judicial terrorism being waged against PRD members.

[Begin Gonzalez recording] This is all within the campaign of terror and persecution that has been unleashed against our party. Mr. Lombana, of the DRP, wants to seize the property of 15 former legislators. I would like to ask this gentleman to explain what happened to the cows that belonged to former Lieutenant Colonel Nivaldo Madrinan, who purchased them for $1,000, but were resold for $200. Apparently, these cows have been sold among DRP magistrates.

What is happening with Felipe Vargas, who was unable to participate in the 27 January elections because his property was seized? Vargas has to ask a corregidor for permission just to send a daughter to school. Over $500,000 have been seized from Vargas, because the DRP magistrates claim he used $255 belonging to the Community Board.

It has been 23 months since the invasion and these judiciary terrorists are still playing the same old tune. At this time, I would like to ask Mr. Lombana and DRP Magistrate Eusebio Marchosky to seize items from my office, rather than stealing them. They have stolen things from my office on three occasions.

Last night, they stole my briefcase. I want to tell Mr. Lombana that the briefcase does not contain any confidential documents against him, Attorney General Rogelio Cruz, or President Endara, who is the head of this mafia. This is a group of people who exhibit very dubious behavior. They want to continue with a mudslinging campaign when they are experiencing a political crisis among themselves. Now they are breaking into legislators' vehicles to steal briefcases. [end recording]

Argentina

UN Security Council Candidacy 'Postponed'

PY2511144491 Buenos Aires TELAM in Spanish 2046 GMT 24 Nov 91

[Text] United Nations, 24 Nov (TELAM)—Jorge Vazquez, the Argentine ambassador to the United Nations, stated that his country has not reversed "its decision to become a member of the UN Security Council."

In remarks to TELAM, Vazquez said that "in no way have we given up our candidacy to the UN Security Council. We have just postponed it following an agreement we reached with Brazil."

Vazquez thus responded to some reports that Argentina forfeited its candidacy for a seat on the UN Security Council because of the negative reactions provoked by its withdrawal from the Nonaligned Movement.

Vazquez said that by virtue of the agreement between Presidents Carlos Menem and Fernando Collor de Mello "we have simply postponed our candidacy in order to endorse that of Brazil."

Vazquez added: "This fact is contained in a letter sent by Brazil to all Latin American member countries, in which it notes that it is seeking to replace Ecuador for a two-year term as of January 1993."

Argentina had initially announced its candidacy for this period, but following the agreement, Brazil "agreed to support our candidacy in the future," Vazquez said.

Bolivia

Paz Proposes Antidrug Peace Strategy in Rome

PY2511190091 La Paz Television Boliviana Network in Spanish 1700 GMT 25 Nov 91

[Excerpt] President Jaime Paz Zamora said upon his return from Rome that he proposed in that city a peace strategy against drug trafficking. He said that the strategy was well received by the representatives of the highly industrialized countries, which composed the majority at the meeting.

The peace strategy against drug trafficking has 10 proposals to the international community. President Paz said that his presence in Rome served to hold several meetings with the heads of state and political leaders to discuss important projects for development within the framework of bilateral cooperation. [passage omitted]

Coca Growers Seek Lifting of Restrictions

PY2611013091 La Paz PRESENCIA in Spanish 21 Nov 91 p 6

[Text] Coca growing peasants of Tropical Chapare will ask the government "to lift restrictions on coca plantations" in order to improve the critical economic situation of the people in that region. The request was justified on the grounds that the alternative development program—which had to be implemented simultaneously with the compulsory or voluntary eradication of coca farms—failed.

COB [Bolivian Labor Federation] adviser Filemon Escobar said that for alternative development to succeed, the markets for the new products must be secured beforehand, and, unfortunately, this has not been done.

He added that restrictions had never been imposed on plantations, but that after approval of Law No. 1008, the government began to impose restrictions on coca farms yielding surplus production. He explained, however, that this law admits that there are traditional coca producing areas that are protected by law.

He said that the Bolivian Government decision to eradicate 7,000 hectares of coca plantations was imposed by the U.S. administration, which is binding disbursement of $22 million for the balance of payments.

He said that Law No. 1008 is clearly specific in its chapter dealing with alternative development, adding that the law establishes that an "alternative" plant must immediately replace each uprooted coca plant.

He emphasized that there is no alternative development in Tropical Chapare and that the U.S. Government offer to open its market to Andean Group products is not feasible. If the U.S. market is closed to the Andean Group, we cannot imagine what the situation for Bolivia's "alternative products" will be, he said.

Consequently, the possibility of voluntary or compulsory eradication of coca plantations "no longer exists," and the only option now is to ask the government to lift restrictions on coca leaves, he concluded.

Economic Increase 'Highest in 14 Years'

PY2511201691 La Paz Television Boliviana Network in Spanish 1700 GMT 25 Nov 91

[Text] Planning and Coordination Minister Samuel Doria Medina said today that economic, political, and social stability, and the beginning of private investments are the most important factors for Bolivia attaining 4 percent growth in 1991, the highest in the last 14 years.

Doria explained the economic factors behind that increase. He said that the growth of the private economy is the reason for the 4 percent growth. Agriculture increased 7.2 percent; industry 6.6 percent; mining 6.4 percent; and oil production 2.9 percent. Regarding oil

production, he said that the contracting companies' contribution was 12.7 percent.

Brazil

Economy Minister Marques Discusses Issues

PY2611023691 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Nov 91 Economy Section p 4

[Interview with Economy Minister Marcilio Marques by reporters Suely Caldas and Aluizio Maranhao from the AGENCIA ESTADO news agency on 22 November in a Rio de Janeiro restaurant]

[Text] [ESTADO] During the conversation you will hold this afternoon with the WALL STREET JOURNAL, they will certainly mention the decision made this week by the U.S. banks credit classification organization (ICERC) [Interagency Country Exposure Review Commission] to lower Brazil's credit ranking. How will you answer them?

[Marques] No decision has been made yet in this respect. This subject was discussed during a meeting held between the last few days of October and 1 November, and the discussion must then be filtered at higher levels. This process has not yet been concluded.

[ESTADO] Did you learn this from Ambassador Rubens Ricupero or from the organization itself?

[Marques] From the ambassador, who has been at the ICERC. He clearly understood that no decision had been made. They discussed the past, not the future. The issue is being reviewed in the wake of negotiations with the IMF and discussions with creditor banks. We hope that Brazil will not be ranked lower.

[ESTADO] Are not the negotiations with the IMF at a standstill?

[Marques] No, they are not. The two delegations' letter was ready last Saturday (16 November). The guidelines are set.

[ESTADO] Does not one of the guidelines include the lowering of inflation to 2 percent during the second half of 1992?

[Marques] Two percent by the end of 1992. The idea is to have an annual inflation rate of 20 percent in 1993, that is, 2 percent monthly.

[ESTADO] And a fiscal deficit of 2 percent of the Gross Domestic Product [GDP]?

[Marques] A primary surplus of 3 percent of the GDP.

[ESTADO] And how will the fiscal reform be possible if the opposition is promising to block the executive branch's proposals as a consequence of the defeat it suffered on the salary issues?

[Marques] I have talked with deputies and senators of all parties and they all agree on the fiscal reform, which evidently is not appreciated given the simultaneous situation between the two processes, the approval of a fiscal reform and the foreign debt negotiation. However, everyone knows that if there is a chance to straighten the accounts of the country it is in the fiscal reform. All deputies, including those from the PFL [Liberal Front Party]; PMDB [Brazilian Democratic Movement Party]; PSDB [Brazilian Social Democracy Party]; and the PT [Workers Party]; say they will support the government in this aspect.

[ESTADO] Fiscal reform is a controversial subject which is not favored by all parties.

[Marques] There are nonetheless many agreements on this issue. The coordinator of this draft bill worked and listened to all the parties. There may be disagreements, but they are very small. There is a consensus regarding the legal corporations, partnerships, the updating of taxes, and the elimination of certain discriminations toward foreign capital and even legal corporations. The points that could have drawn the most extreme disagreements are not so great. The government needs a 3 percent primary surplus and there is great consensus on this point. Congress has been understanding regarding this point. All the really important measures have been approved by Congress.

[ESTADO] Does the agreement with the IMF depend on Congress' approval of the emergency fiscal reform?

[Marques] It will be a parallel process. After receiving the letter of intent, the IMF will prepare a study during a four- to six-week term.

[ESTADO] But will the deal be closed only with the fiscal reform?

[Marques] It will be a parallel process. The fiscal reform must be approved in three or four weeks.

[ESTADO] And will the IMF also conclude its study during that same time?

[Marques] Yes, it will take three or four weeks to be presented to the IMF board of governors, and then it will depend on whether they will have a recess during Christmas.

[ESTADO] Then there is a possibility that the agreement with the IMF will not to be reached this year?

[Marques] It will not be formally approved, but it will be basically approved by its technical body.

[ESTADO] The talks with the creditor banks will resume next 2 December and Brazilian foreign debt negotiator Pedro Malan will arrive in Brazil 25 November. What are the basic guidelines of the Brazilian proposal to the banks?

[Marques] We will maintain the concept of paying according to our payment capability and the payment options we offered. Another option was required and it makes no difference to us. Instead of a swap for foreign debt bonds, some banks prefer to simply amend the contract and leave it as it is. But there will be the same conditions regarding terms and interest rates. This negotiation will be over in the first two months of 1992. We will also begin talks with the Paris Club at the same time. This means there is a happy coincidence among the process of negotiation with the IMF, the banks, the Paris Club, and, domestically, the fiscal reform.

[ESTADO] What alternative does the government have in the event that inflation increases during the foreign debt negotiation?

[Marques] The government is convinced—and the economic agents are beginning to be convinced—that the best way to put out a fire is not by throwing in more fuel. That is, if there currently was more monetary and fiscal expansion, they know that we would run out of wood. Research institutes have shown that in the past few weeks wholesale prices have not increased.

[ESTADO] Then you do not count on the possibility of an inflation upsurge like in October?

[Marques] People really made the wrong bet. There was no shock, no consumption. But inflation will not drop from one day to the next.

[ESTADO] When goals are established in a letter of intent to the IMF, the strategies to attain them are also defined. What is the strategy for lowering inflation to 2 percent by the end of 1992?

[Marques] The strategy is fiscal adjustment, a tight monetary supply, and the increase of supply by some sectors. For example, in agriculture: Everything indicates that our grain supply will increase by at least 10 tons in the next harvest season. The current drop of wholesale prices is already reflecting the increase of the next harvest. At this time last year, it was clear that this harvest would be bad, and the prices reflected that. This means that if we maintain a tight monetary policy and an efficient fiscal policy, our expectations will improve with the February/March harvest, and conquer the public's confidence. This means we have everything with which to end the vicious cycle of inflation and replace it with a virtuous cycle of development.

[ESTADO] Central Bank President Francisco Gros defends the prefixed prices, salaries, and interest rates. Will this measure be an important addition to your economic policy?

[Marques] That proposal will not be considered for the time being. That does not break the inflationary expectation. What breaks the inflationary expectation is an austere policy. Mexico did that following several years of primary surplus. If you have monetary and fiscal expansion the prefixation agreement will not work. You must have the economic conditions to implement it if necessary at a certain moment as an anchor. In addition, Brazil has a vigorous but unstructured civilian society, lacking a backbone. An understanding was possible in Spain because when a labor union promised something, the workers really maintained it. In Brazil, the labor unions have no control over the workers.

[ESTADO] Do you believe then that a preestablishment of prices, salaries, and interest rates is possible on the basis of an agreement with the people, without government technocrats laying down the rules?

[Marques] It will have to be a true pact. Now, we have to move toward a market economy.

[ESTADO] So you and the Central Bank president disagree on the subject of preestablishing prices, salaries, and interest rates.

[Marques] As far as our discussions are concerned we have had no disagreements.

[ESTADO] A week ago the press noted another disagreement between you and the Central Bank president on the subject of indexing financial assets again.

[Marques] At that time he was just studying the subject.

[ESTADO] It seems as though society has become addicted to shocks, sorceries, and magic formulas. Do you believe that at some point the government will have to use other types of measures to make its policy credible?

[Marques] I believe that the persistent clarity of a policy that is free of traumatic shocks and sorceries will gradually convince society of its feasibility, that it is taking us in the right direction. The process is full of hardships for all, without exceptions, but it is the only way to get results.

[ESTADO] At least two former economy ministers—Francisco Dornelles and Mailson da Nobrega—tried that approach, but failed.

[Marques] They could not coordinate the monetary and fiscal policies. Minister Dornelles froze utility rates but was unable to control the government's fiscal and monetary policies. In the case of Minister da Nobrega, you know that one of the largest public deficits occurred during his administration. He had to issue bonds to pay the salaries of public workers.

[ESTADO] Society mistrusts fiscal austerity programs when it sees that certain disbursements are made for political reasons. The press has published reports that Northeast Sugar Refineries will receive money from the Treasury, even though their debt with the government is astronomically high. The government is planning to increase Manaus Free Trade Zone's fiscal exemptions. Will these issues shake public confidence in the administration?

[Marques] Regarding sugar refinery owners, the government will pay refinery owners what it owes them, and they will pay the government what they owe. Debts will be set off against each other. The government will not give money to those who fail to fulfill their contracts until they pay their debts. The process will be completely clear. If they are awarded credits, the money will not go to them, it will be directly sent to their creditors. The issue of the Manaus Free Trade Zone will also be handled clearly. The government has carefully studied the situation. We have proposed changes into the free trade zone concept in the Chamber of Deputies. Most of the provisions affecting Manaus are being revised. The new rules will modify the system to today's reality. It was created when the system was very restrictive and now the economy is opening. The concept of the free trade zone must be revised. A high-ranking commission headed by Secretary Dorothea Werneck and representatives of the Strategic Affairs Secretary and the Science and Technology Secretariat are studying the issue. All the discussions are open. We have even discussed the situation with Governor Sergio Fleury [name as published].

[ESTADO] Minister Jarbas Passarinho proposed a December bonus of between 12,000 cruzeiros and 14,000 cruzeiros for those who earn the minimum salary to convince the opposition to stop blocking government projects, which includes the fiscal reform project. Are we going to see such a bonus?

[Marques] Minister Pasarinho is in charge of the negotiations. There has not been agreement on any figure yet.

[ESTADO] But is it true that the government has already decided to give that bonus?

[Marques] No, nothing has been agreed yet. We are trying to reach an agreement. The government is studying ways to overcome the obstruction in Congress. We will find a way.

[ESTADO] What alternatives does the government have besides the bonus?

[Marques] We have some alternatives, but we are negotiating the bonus.

[ESTADO] Minister, it is very hard to live on a minimum salary of 42,000 cruzeiros, particularly during Christmas when you want to buy toys for your children.

[Marques] Very few people earn the minimum salary today. Only workers without collective agreements did not receive the advances we have been granting every two months. There are very few....

[ESTADO] Does that mean that the government will not yield on the issue of the minimum salary just because of the conflict with public workers?

[Marques] We cannot yield on the public salary issue. Municipal and state governments would collapse and the social security system would break up. If there were any possibility at all we would study it.

[ESTADO] Will the government really use the Housing Financial System (SFH) as currency for privatizations?

[Marques] I read that in the newspapers. It is a possibility but the idea was never brought to my attention.

[ESTADO] Coming back to the letter of intent to the IMF, what goals were set in it regarding the balance of fiscal accounts and the GDP?

[Marques] The idea is to balance our current accounts. We have set conservative estimates for our GDP. I have the impression that our GDP will grow by 2 percent next year. Agriculture will guarantee that rate. We will end this year with zero or 1 percent growth.

[ESTADO] Will the December TR [Reference Rate—the official interest rate] be lower than the November rate?

[Marques] The government does not determine the TR. The TR is determined by the CDB [Bank Deposit Certificates] rate, which is falling because expectations for higher inflation rates are dropping.

[ESTADO] There are reports that the government may reconsider converting the foreign debt into investments in Brazil providing the foreign involvement does not participate in the privatization of public companies. Will those interested in these operations be able to exchange their titles, not at face value, but for instance, at 60 percent of their face value?

[Marques] We are not considering anything like that. We are not going to allow conversion operations, except for environmental projects and even then only as donations. That idea is utopian. Everybody wants to convert their titles. That is natural, who does not want to transform a debt into capital?

Parties Create New Bloc in Chamber of Deputies

PY2311180891 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Nov 91 Section 1 p 6

[Report by Tales Faria]

[Text] Leaders of the PDS [Social Democratic Party], PTB [Brazilian Labor Party], and PL [Liberal Party] issued a manifesto yesterday announcing the creation of a new political group: the Independent Front. If we include the PDC [Christian Democratic Party] bloc—whose leader Eduardo Siqueira Campos (Tocantins State) promised his participation, the new bloc will represent 112 deputies and become the second-largest bloc in the Chamber of Deputies.

The group's spokesman, PDS leader Victor Faccioni (Rio Grande do Sul State), said the group will become a congressional bloc on 15 December. In 1992, the group will have the right to demand more representation on the Chamber of Deputies' leadership board than the PMDB [Brazilian Democratic Movement Party], as well as participation in special commissions and committee presidencies.

The front has not been formalized yet, but it already is acting as such. Deputy Delfim Netto (PDS of Sao Paulo) was nominated as front coordinator in order to elaborate an alternative fiscal reform program to substitute for the proposal Congress currently is discussing.

The new group is viewed in Congress as a force that will cooperate with the government. Faccioni admits such a possibility: "Everything will depend on the government's ability to attract our votes." The formation manifesto says the front will be willing to cooperate "to assure governability." The largest bloc in Congress is formed by government supporters comprising 124 deputies of the PFL [Liberal Front Party]; the PRN [National Reconstruction Party]; and the PMN [National Mobilization Party]. The bloc of government supporters and the bloc of independents, if they act together, will number 236 deputies, still short of a majority—252 votes. The PMDB is the largest single party with 102 deputies.

PT [Workers Party] leader Jose Genoino (Sao Paulo) characterized the creation of the front as "a re-creation of the Centrist bloc," a conservative congressional bloc supportive of liberal theories in the Constituent Assembly. If this coalition is consolidated, it will be able to repeat Centrist bloc performances during the 1993 constitutional review. The Centrist bloc won key votes in the 1988 Constituent Assembly.

Genoino said the front will negotiate its cooperation with the government by working out common interests. "The government has taken the dangerous path of 'giving as much as you receive' and accepting doubtful support," Genoino said.

PDS President Paulo Maluf denied that the front will support the government by working out common interests. "The Centrist bloc prevented the present Constitution from being even more antiquated than it is today," Maluf said.

PMDB leader Genebaldo Correia (Bahia) said he does not believe the front will form a coalition with the government. "If that happens, the opposition will be encouraged to do likewise," Correa concluded.

Government Scrambles for Pension Increase Funds

PY2211163491 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 22 Nov 91

[Text] The government is trying to find a way to cover the difference if the court order stands that it pay an increase of 147 percent to retired workers and pensioners.

According to Economy Minister Marcilio Marquez Moreira, the government still does not know where this money will come from. [passage indistinct]

Chile

Economic Accords Signed With European Countries

PY2511200291 Santiago Radio Chilena Network in Spanish 1600 GMT 25 Nov 91

[Text] Chile signed important economic cooperation and investment agreements with six noth European countries. This announcement was made by Foreign Minister Enrique Silva Cimma, who evaluated as positive his recent tour of European countries, including Switzerland, Austria, Norway, Finland, and Denmark.

This was the first official visit by a Chilean foreign minister to these countries. He noted the investment protection accord reached with Switzerland; the scientific and technological cooperation accord signed with Sweden; and the visa agreement reached with Norway, among others.

He praised the great support and confidence shown toward Chile by the authorities and businessmen from these countries.

[Begin Silva recording] It is a very attractive country for foreign countries as far as technological cooperation, investment protection, and an intensification of bilateral exports are concerned. [End recording]

He said that this confidence is revealed in the notorious intensification of bilateral exchange, and the investors' interest in trade with Chile.

Commenting on the U.S. report dealing with the level of risk that Chile could represent for foreigners, Silva said he did not observe any concern in this regard in any of the countries he visited.

Officials, Groups Ask Aylwin To Recognize PLO

PY2611012291 Santiago EL MERCURIO in Spanish 16 Nov 91 p C3

[Excerpts] Five deputies and several leaders of youth and Arab organizations asked the president yesterday that the Chilean Government officially recognize the Palestinian state and the PLO as the Palestinian people's only and legitimate representative. They also asked that it oppose the Israeli presence in Arab territories.

The request is included in a letter signed by some 30 political, student, youth organization, and Palestinian organization representatives. The letter was delivered to La Moneda Palace yesterday. [pasage omitted]

After summarizing the tenets and principles underlying Chilean foreign policy, the letter requested that President Patricio Aylwin's government "clearly" adopt a position against the policy of Israeli settlement in the occupied Arab territories, and to recognize the PLO "as the only legitimate representative" of the Palestinian people. [passage omitted]

Economic, Commercial Accord Signed With USSR

PY2611000491 Santiago EL MERCURIO in Spanish 14 Nov 91 p B10

[Excerpts] The Association of Exporters of the USSR and the Association of Exporters of Nontraditional Manufactured Products (Asexma) signed yesterday an agreement to promote economic and commercial mechanisms of Chilean-Soviet exchange.

Asexma Chairman Roberto Fantuzzi said that the Soviet market offers vast possibilities to Chilean enterprises, because Soviet annual imports amount to approximately $115 billion. [passage omitted]

Concerning the agreement, Fantuzzi said that it will promote production and development programs; joint ventures; the exchange of information; and participation in commercial fairs and mission. [passage omitted]

Soviet Charge d'Affaires to Chile Igor Ribalkin [name and title as published] emphasized the possibilities that the agreement will open for direct contact between businessmen of the two countries.

Eugenio Mariachin, representative of the Association of Exporters of the USSR, said that the association gathers more than 200 enterprises that seek to gain access to foreign markets, and that they are very otimistic about the possibility of doing business with our country.

He added that two Asexma members—Stierling Paints and Jarman Shoes—are already doing business with Soviet enterprises.

The first enterprise has already invested more than $1 million in a joint Chilean-Soviet enterprise named Stierling-Lacocrav, which will produce paints. [passage omitted]

Railway Workers Strike Called 'Useless'

PY2511194291 Chilena Network in Spanish 1600 GMT 25 Nov 91

[Excerpt] Labor Minister German Correa stated that the railway workers strike is illegal and useless. He said that 90 percent of the workers observed the strike, adding that this action will not have any impact, because structural changes will be carried out within the enterprise.

[Begin recording) Some 80 to 90 percent of the workers joined the strike. We will not deny that there was a stoppage in which a great number of personnel participated, but the matter is not to forbid them their right to stage demonstrations. It is an incorrect procedure because it was staged under a democratic process that is under way. If workers are not listened to, if they are prevented—as occurred in the past—from imposing specific measures, we would consider this strike reasonable. Under the current situation, this measure is illegal, regrettable, and useless, because they are pressuring the government and Congress. [end recording]

Correa stated that 50 percent of the railway enterprise will not be privatized because it belongs to the country's strategic plan. He added that even passenger services are being maintained despite the fact that losses are incurred every year. [passage omitted]

Official Remarks on Appointment to Commission

PY2611001091 Santiago EL MERCURIO in Spanish 16 Nov 91 p C3

[Excerpts] Acting Foreign Minister Edmundo Vargas said yesterday that his designation as a member of the United Nations Commission of International Law reflects support for the foreign policy of President Patricio Aylwin. [passage omitted]

Vargas, the Latin American candidate who was elected by a large margin, became one of 34 Commission members. The vote took place yesterday during the 46th United Nations General Assembly, in New York. [passage omitted]

Pinochet's Birthday Greeted by Rebel Protest

PY2511183091 Santiago Radio Chilena Network in Spanish 1600 GMT 25 Nov 91

[Excerpts] Armed Forces and Police Representatives greeted General Augusto Pinochet, the Army commander in chief, on the occasion of his birthday. [passage omitted]

Gen. Pinochet thanked those who attended, saying that if possible he will continue to offer all his efforts in his capacity for the well-being of the Army and the Armed Forces for as long as he lives. [passage omitted]

Carabineros arrested four people who staged an isolated demonstration against Gen. Pinochet on the occasion of his birthday. The demonstration was staged outside La Moneda Palace and was sponsored by the Manuel Rodriguez Patriotic Movement, which was originally known as the Manuel Rodriguez Patriotic Front [sentence as heard]. The demonstration was led by leader Leandro Torquio, who was arrested.

The demonstration was staged by approximately 30 people who gathered on La Alameda Avenue near Centeno de Guarande Street, where the demonstrators waved placards, threw pamphlets, and read a note. Special Carabineros forces dispersed the demonstrators and arrested four people including Torquio, who strongly resisted but was finally overpowered by six Carabineros.

Businessman Says Arms Industry 'Threatened'

PY2511130491 Santiago Radio Chilena Network in Spanish 1000 GMT 25 Nov 91

[Text] Businessman Carlos Cardoen stated that hegemonic countries like the United States seek to dismantle the arms industry in Latin America. He said that they

have already stamped out the arms industries in Brazil and Argentina, and are now making a great effort to eliminate it in Chile.

Asked about a helicopter held by U.S. Customs, Cardoen said that this helicopter cost $5 million to build and that it was seized by the United States because Washington thought it was going to be exported to Iraq.

He also said that suspending the manufacture of weapons would be a mistake because it would mean losing the technology and the know-how developed in Chile.

Cardoen is also involved in mining; robot construction; tourism; trade sport; agriculture; and communications. He also promoted fruit export to Cuba. He said that his enterprise employs Chilean workers. It exported 1.5 million boxes of grapefruit to Cuba last season. It is expected that this quantity will double this season.

Colombia

Rebels Say 'No Military Solution' to Conflict

PA2511230391 Mexico City NOTIMEX in Spanish 1652 GMT 25 Nov 91

[Text] Santa Fe de Bogota, 25 Nov (NOTIMEX)—The Colombian guerrillas said today that there is "no military solution" to the armed conflict in their country and the only thing called for at this time is a political agreement.

Alfonso Cano, second in command of the Revolutionary Armed Forces of Colombia, told today the local radio stations in Caracas, Venezuela, that after one year of Army offensives against their fronts, "the country can see that we must think seriously about nonmilitary solutions."

Colombian Defense Minister Rafael Pardo Rueda challenged yesterday the Simon Bolivar Guerrilla Coordinating Board "to define" its goals regarding the peace dialogue it is holding with the Colombian Government in Caracas. According to the minister, the issue whereby the armed rebels are reportedly seeking other objectives rather than peace through the talks must be resolved very soon.

When answering these statements, Cano said "it is not good to maintain the unrest created by the permanent threats" by the government that it will interrupt the Caracas talks. "I feel this is not the best idea. It seems more helpful to continue building the dialogue and to end up with something more concrete than what we have had up to now," he added.

Pardo, the first civilian defense minister in the last 30 years, said that the guerrillas have been "very weakened in the political field, so they are trying to establish international contacts throughout Central America to protect themselves."

Cano then pointed out that "our visits to countries such as Costa Rica and Cuba have been very interesting because we exchange opinions on the situations prevailing in their countries and in Colombia but we do not reach any conclusions."

He added that during his meeting last weekend with Cuban President Fidel Castro, "we learned of the situation on the island and of the problems that resulted from the blockade." Castro "was interested in the situation in Latin America," Cano added. Castro asked about the Colombian situation, the Constituent Assembly, the elections, and the peace process, but he did not make any specific comments, Cano concluded.

Guerrillas Gain Control of Poppy Production

PA2611003391 Santa Fe de Bogota EL TIEMPO in Spanish 19 Nov 91 p 11B

[Text] National Police Commander General Miguel Antonio Gomez Padilla said on 18 November that the Revolutionary Armed Forces of Colombia (FARC) guerrillas has gained control of poppy crops.

Gen. Gomez said that poppy plantations are located in areas where FARC guerrillas operate and added that members cultivate the poppy plants. He said that the cultivation of poppies, which are used to produce opium and heroin, is being extended to some parts of Valle del Cauca Department, particularly the municipality of El Dovio and the area of Canon de Garrapatas.

Gomez said that the "Scorpion" and "Search" operations led to the destruction of at least 100,000 poppy plants. Valle Department Police Department members, of the Army's 3d Brigade Military Police stationed in Cali, and the Administrative Department of Security (DAS) participated in those operations.

Gomez, who attended a ceremony to inaugurate the Training Center for Professional Agents in Siloe, said that the vacuum left by some drug traffickers—who are no longer in the business and have closed their laboratories—is being filled by independent drug traffickers who have started selling poppy paste.

Gomez said that the National Police have implemented strategies to eradicate the new business. "We have experience in the struggle against marijuana and cocaine, and we will use our experience in fighting the trafficking of opium and heroin," he said. He added that some plantations have been discovered in Valle del Cauca Department and said that although such plantations are not widespread, the business is expanding.

Major General Camilo Zuniga Chaparro, commander of the Army's 3d Division, said that the poppy plantations found in the northern part of the department are handled by FARC guerrillas. "Drug traffickers have secured their plantations, which are protected and managed by FARC guerrillas, who force peasants to use their land to grow poppy," Zuniga added. He noted that this is happening

in areas like Villa Colombia and La Liberia, in Jamundi, where rebels not only protect the laboratories but also operate them.

Regarding the reinforcement of the police force in Cali, the capital of Valle del Cauca Department, Gen. Gomez said that a contingent of 200 policemen will be sent to that city in January; 300 in March; and 1,000 more in July, making a total of 1,500 additional policemen.

Specialized Police Services Directorate Created

PA2411215091 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 1200 GMT 23 Nov 91

[Text] Santa Fe de Bogota—The government created the Directorate of Specialized Services of the National Police and appointed Brigadier General Nacin Yanine Diaz as its director.

The new directorate will be in charge of the elite force or special armed corps, of the airport, port, road, and railroad police corps. It will also supervise the bodyguards of high government officials.

Paraguay

Military Attache Appointments Announced

PY2511233691 Asuncion ABC COLOR in Spanish 21 Nov 91 p 5

[Text] Staff Colonel Herminio Pinanez Valmoriu was designated General Assistant to the Commander in Chief of the Armed Forces. He will replace Staff Colonel Juan Evaristo Gonzalez Maldonado, who will be promoted to the rank of brigadier general. Staff Colonel Alberto Rafael Hellman Gareca will be designated military attache to the Federative Republic of Brazil. Colonel Elias Halaburda Martiniuk will be designated Air Force attache to the same country.

Navy Captain Celso Antonio Quinonez Franco will be designated naval attache to the Argentine Republic. Colonel Victor Adolfo Segovia Rios will be designated military and Air Force attache to the United States.

Colonel Eliseo Monges Samudio will be designated military attache to Bolivia.

Colonel Reinaldo Dario Poletti will be designated military attache to the Argentine Republic. Colonel Federico Scavenius Caballero will be designated military attache to Uruguay. Colonel Hector Adriano Ocampos Diaz will be designated acting commander of the First Air Base.

Peru

Government Proposes Ecuador Free Trade Treaty

PY2611113491 Madrid EFE in Spanish 0435 GMT 26 Nov 91

[Text] Lima, 25 Nov (EFE)—Peruvian President Alberto Fujimori reported on 25 November that Peru has proposed to Ecuador a treaty for trade and free navigation of the Amazon Basin to ensure "reciprocal security and arms limitation," and to prevent a worsening of the border crisis.

Fujimori reported this to the nation during a 5-minute impromptu message over a radio and television network at 2200 today (0300 GMT 26 November).

Fujimori said that Peruvian-Ecuadoran relations must seek "more thorough and real" integration with its neighbors to "create common interests" and to "ensure Latin American and Andean unity."

The Peruvian president added that, within this framework, he has submitted a proposal to Ecuadoran President Rodrigo Borja that will allow the conclusion of delimitation work along the controversial border areas.

Fujimori suggests that the agreement be signed under the terms of the Rio de Janeiro Protocol—the Peace, Friendship, and Limits Treaty that was signed by the two countries after the 1941-war, which was started over disagreements on border delimitation.

Fujimori has proposed a trade and navigation treaty "to promote confidence" between the two countries. He said the treaty would be based on the terms of Article 6 of the Rio de Janeiro Protocol.

The Peruvian chief of state said that the treaty "could" grant Ecuador "the benefits" of "port facilities" in the Amazon River and its northern tributaries, thus "extending the current integration zone all along their common border."

The Peruvian president added that the treaty would make it possible to implement a program of social and economic development, including binational projects, joint investments, mixed-capital and multinational enterprises, physical integration, and emergency plans to improve the living conditions of the border population.

He explained that his proposal is based on "the need to ensure reciprocal security and arms limitation," thus allowing Peru and Ecuador to "earmark significant resources for development and for the wellbeing of our peoples."

Fujimori suggested beginning the negotiations "soon," "based on our genuine wish to ensure peace, dialogue, and integration."

"I fervently hope Ecuador will react kindly to these brotherly intentions," Fujimori added.

Peruvian Housing and Construction Minister Oscar de la Puente—Fujimori's special envoy—handed the Peruvian proposal to Ecuadoran Foreign Minister Diego Cordovez in Quito today.

In a brief communique, which did not include the terms of the proposal, Borja's government stated that the Peruvian initiative "shows a new spirit" through which the crisis can be viewed. The communique reiterates, however, the Ecuadoran desire that the pope arbitrate the dispute.

This Ecuadoran-Peruvian territorial dispute caused a war in 1941 and a clash in 1981.

The two countries have different positions regarding the validity of the Rio de Janeiro Protocol. Last July, the dispute reappeared when the two countries charged each other with territorial invasion.

Americas Watch Letter to Shining Path Questioned

PY2511222291 Lima EL COMERCIO in Spanish 17 Nov 91 p A13

[Text] Through a Foreign Ministry communique, the government has condemned the attitude of the nongovernmental "Americas Watch" organization toward the Shining Path subversive group. The government criticized the fact that the organization considers these "gangs of murderers who sow terror" at the same level as governments that are democratically elected by the people. Herewith the text of the communique:

Official Communique No. 33/91

On 30 October 1991, the executive director of the nongovernmental "Americas Watch" organization, which is headquartered in the United States, sent a letter to the leader of the Shining Path terrorist movement asking him to investigate and punish the human rights violations committed by subversive criminals against six Peruvian militarymen, who were shot dead on 10 September in Melgar Province, Puno Department.

The Peruvian Government rejects and condemns the unprecedented attitude of "Americas Watch," which addressed the leader of a subversive, terrorist group—which uses crime and torture as a weapon to destabilize the Peruvian state and destroy its democratic system and its society—as if he were the leader of a political party.

Human rights violations, which the Shining Path has indiscriminately committed, should be made known to the international community, and "Americas Watch" has rightly begun to publicly report them. It is unacceptable to the Peruvian Government and people, however, that in the above-mentioned letter this nongovernmental organization should implicitly put on the same level the gangs of terrorist murderers who are financed by drug traffickers and democratic governments that are elected by the people, in an absurd and unacceptable attempt to recognize their legitimacy.

The Peruvian Government will demand—and will in this regard maintain the international community on the alert—that "Americas Watch" and other similar nongovernmental organizations report the atrocities committed in Peru by armed gangs that sow terror, in keeping with the respective resolutions approved by the United Nations Human Rights Commission in Geneva, and by the Organization of American States.

Lima, 16 September 1991
The Ministry of Foreign Relations
General Public Relations Directorate

Legal Deregulation Framework Established

PY2211143691 Lima EL COMERCIO in Spanish 14 Nov 91 p E1

[Text] The framework law for the growth of private investment was revealed on 13 November. It guarantees free initiative, free competition, and private investment that already has been made or will be made in all areas of economic activities and in any of the business forms or contracts allowed by the Constitution and laws.

Among the most important points of the extensive Legislative Decree No. 757, the following are highlighted.

All provisions, whether partial or total, that favor the state for carrying out economic activities or the exploitation of natural resources, with the exception of those in protected natural areas, are abrogated. Said provisions only will be implemented for causes pertaining to matters of social interest or national security.

The state will not expropriate enterprises nor the shares or participation in them with the exception of cases of national interest that are duly supported by a law approved by Congress.

When the same type of economic activity is carried out by the state and private enterprises, equal conditions will be applied. In no way will state enterprises be granted exclusive rights or those that pertain to the public administration, with the exception of the powers the state delegates for the coercive collection of taxes.

Free competition implies that within the economy prices will result from supply and demand in accordance with the Constitution and the laws. Only the rates of public services can be set administratively.

All rules and regulations that set down forms of production or productivity indexes or that prohibit or allocate the use of materials or technological processes, and, in general, that intervene in productive processes of the enterprises on the basis of the type of economic activities that they carry out, their installed capability, or any other similar economic factor are abrogated, with the exception of the legal rules and regulations pertaining to hygiene, industrial security, environment, and health.

The state will not discriminate or establish distinctions between investors or companies in which they participate by establishing different foreign exchange rates, prices, tariffs, or other taxes depending on investors' field of action, type of economic activity, or geographical location. Neither will the state discriminate between national or foreign citizens.

National or foreign private investments in productive activities that are being carried out, or will be implemented, in border areas are declared of national interest. In consequence, foreign citizens and companies will be authorized to have concessions and rights over mines, lands, forests, waters, fuels, energy sources, or other resources that might be needed for the development of their productive activities within the 50 km belt of national border zones, provided they are authorized by government decree.

National and foreign firms will be granted legal stability in accordance with Title II of Decree Law No. 662. Legally established agreements will be concluded under the protection of Article 1357 of the Civil Code and will become binding as law in order to prevent the state from unilaterally annulling or modifying it.

Investors will be allowed to contract insurance in the country or abroad to cover their investments for commercial or other risks.

The state will help investors insure their investments through the World Bank's Multilateral Investments Guarantee Agency (OMGI in Spanish and MIGA in English) or other similar organizations in which Peru participates.

The state and its institutions will accept national or international mediations, in accordance with national legislation on the matter, or international treaties signed by Peru, to solve disputes with individuals affecting national assets or obligations whenever these disputes are the result of private legal property conflicts or disagreements over contracts.

The chapter on complementary regulations indicates that price and rate increases will be subjected to the following: a. prices and rates that according to law are administratively established will be adjusted considering economic factors and not automatic adjustment systems or methods based on price variation indexes; b. collective labor agreements will not include automatic adjustment clauses based on price variation indexes or clauses establishing rates in foreign currency. These clauses will be replaced by mechanisms to establish salaries that consider company production and productivity.

Government Changes Military Officers' Duties

PY2211142091 Lima EL COMERCIO in Spanish 13 Nov 91 p A3

[Text] Within the framework of the strategy adopted to eradicate drug trafficking and subversion in the country, the Peruvian Government has modified the duties of Armed Forces officers.

In this regard, the government promulgated on 12 November Legislative Decree No. 752, the "Law on the Military Situation of Army, Navy, and Air Force Officers," which establishes the new responsibilities assigned to these officers in their task of ensuring national peace and protecting human rights.

The law consists of three titles, 10 chapters, 75 articles, six transitory provisions, and two final provisions. Its objective is to determine the military situation of the officers of the Armed Forces' three branches, and to define and guarantee their rights and basic duties according to their class, category, rank, degree, and job.

The law points out that an officer can only be in three situations: active duty, retired, and on availability status. An officer can be on availability status as a result of an illness or injury, for disciplinary reasons, on court orders, or at his personal request. He can, however, be reinstated to active duty.

The law mentions that officers who are on leave as a result of an illness or injury will be considered on active duty, although they are not included in the cadres, after being on sick leave for more than six months and less than two years.

Officers declared missing in action will be considered on active duty outside the cadres for two years. At the end of these two years, if no information on their whereabouts is obtained, they will be reported dead.

Those officers who graduate from the training schools may request being placed on availability status or retired after seven years of service, while those who have enrolled with the Armed Forces may do so one year later.

These requests are canceled in times of mobilization, state of exception, or when the respective officers are carrying out urgent or secret duties.

Those officers placed on availability status may return to their institution after passing psychological and efficiency tests, among other requirements. Should they fail these tests, they will be given a second opportunity three months later.

In the case of a mobilization, the officers on availability status will be summoned to active duty.

"Investigation Councils" [consejos de investigacion] also will be created to study and make recommendations regarding cases mentioned in the law and regulations. These councils will meet every time the Armed Forces commander so orders.

Army Delivers Weapons to Peasant Defense Patrols

PY2511221691 Lima EXPRESO in Spanish
16 Nov 91 p A7

[Text] Huancayo—The Army continued this week to deliver weapons to the peasant defense patrols of the Frente Mantaro. So far 2,220 shotguns for the 26,000 peasants of the Caceres Region, which are dispersed among 279 organizations, have been distributed.

The latest distribution of weapons was made to the defense patrols of Andamarca in La Concepcion Province, which has 41 annexes, and in Santo Domingo de Acobamba, which has 33 annexes. In these cities the Military Political Command of the Frente Mantaro on 12 November distributed 200 Winchester breech-loading rifles.

The Army commanders who swore in the members of the defense patrols emphasized how the people have organized themselves against the violence created by subversion which is spreading death and misery, and which has reduced agricultural production.

The ceremony was attended by regional and municipal officials, and also for the first time by teachers of the two districts who support the defense patrols actions.

Government Amends Decree on Telecommunications

PY2511232891 Lima EL COMERCIO in Spanish
17 Nov 91 p A4

[From the "Unconfirmed" column by Alfonso Baella Tuesta]

[Text] The executive branch has modified seven articles of Decree No. 702 on telecommunications.

On the last day of enforcement of the powers bestowed to it by Congress, the government replaced Articles 2, 9, 25, 30, 31, 46, and 64 of the above-mentioned decree.

The new text of Article 25 sets forth that any modification in the ownership of shares of the previously mentioned enterprises will be immediately reported to the Ministry of Transportation and Communications. The original article established that any transfer had to receive prior authorization from the Ministry.

Article 30, which established that the Ministry of Transportation and Communications should regulate the compulsory promotion by broadcasters—throughout their programs—of information management principles highlighting the significance of man, and promoting the preservation of the family and the other values set forth by the Constitution, was also modified. The new article sets forth that the Ministries of Education and Transportation, and broadcasters' representative organizations will draw up a code of ethics and behavior that will preserve the above principles in the programs.

The government also declared the modernization and development of telecommunications—within the framework of free competition—a national interest. The state will promote, manage, and control the field of telecommunications.

It is commendable that the executive branch should be remarkably receptive to criticism in this field, and that it should rapidly implement an amendment to guarantee that freedom of expression, which is a foundation of democracy and an object of pride for our country, will remain unharmed.

Creator of Private Pension System Discusses Plan

PY2211213091 Lima EL COMERCIO in Spanish
13 Nov 91 p A10

[Text] Deputy Mario Roggero, who sponsored the decree which creates the Private Pension System, said yesterday that unions, professional associations, charitable organizations, agrarian organizations, or any other groups or corporations with a capital of 500,000 soles can create a Pension Fund Administration [Administradora de Fondo de Pensiones] (AFP) or Health Services Organization [Organizacion de Servicios de Salud] (OSS).

He added that the only organizations which cannot create an AFP are banks, financial organizations, and insurance companies, as well as the shareholders of 1 percent of the social assets of these organizations.

He said that the 260,000 teachers at the national level or any other union can establish a quota to get the required capital to benefit their members. This is how workers become owners of their contributions which will be registered in a savings account and earn the interest rate established by the market.

Roggero was asked: How will the AFP be invested and what kind of security will the workers get? He said that the capital of the AFP (500,000 soles) and the contributions for the pension fund made by the workers must be dealt with independently and registered in separate accounts.

He explained that the AFP cannot handle the pension funds at its own discretion. He added: "A commission for classifying investments will be in charge of preparing a 'portfolio' to classify the securities based on a judgment for safety and profit. A superintendency is also created to supervise the entire system on behalf of the state. [no end quotation mark as published]

Roggero said that to give more security to the system, 90 percent of the securities purchased by the pension fund will be protected by the Central Reserve Bank. These securities can even be purchased and sold in the same negotiations with the Central Reserve Bank.

Another question made to Deputy Roggero referred to the profits of the AFP.

He said that the AFP will charge an "administration fee" which will be established according to the market and taken out of the contribution made by the worker. He added: "The AFP can charge 10, 7, or 5 percent according to the situation, and the workers themselves can make the best choice."

Once the contributions certificate [bono de reconocimiento] listing the contributions and interests is issued, the worker is free to change from one AFP to the other, depending on the conditions offered by each, Roggero added.

Roggero explained that pensions can be received in three ways. One consists of a planned pension payment system under which the worker will determine when he will discontinue the contributions. If the worker believes that the contributions made for 10, 15, or 20 years already yield an attractive pension, he can immediately retire.

Another way is a life insurance-type of pension, in which the worker transfers his contributions to an insurance company and receives an indexated life insurance policy pension. The third one is the planned retirement with deferred lifetime pension.

* Developments in Ruling Party Cause Divisions

* Cabinet Selection Viewed

92SM0111A Lima CARETAS in Spanish
11 Nov 91 pp 10-12, 14-15, 98

[Excerpts] Somewhat frightened by the hard time Congress gave him, but still happy, Fujimori left [for SE Asia]. And his ministers were left behind to deal with the onslaught of the opposition, which is beginning to dig out from last week's avalanche of decrees, continuing with the liberal-style structural reforms that the Economy Ministry has been proclaiming for several months. The hasty restructuring of the cabinet left some people confused, especially the Change 90 rank and file, where some thought the time had come to go to the Promised Land. And they were wrong. The new Council of Ministers is not much different from its predecessor, either in terms of men or in terms of philosophy. Except that maybe the liberal drift of the economic policy has been reinforced. [passage omitted]

Fujimori is thus leaving behind him for a while the crisis that he unleashed when he sicced some of his faithful followers, such as Victor Paredes, on Carlos Torres. Torres unexpectedly resigned, bringing down the entire government and giving a group of slighted Change 90 followers the mistaken impression that opportunity was knocking.

San Roman's Venture

When Maximo San Roman found out that a cabinet shake-up was in the offing, he thought his time had come. He immediately began huddling with the principal representatives of the Peruvian Association of Small- and Medium-Sized Businesses (APEMIPE), the association of small and medium industrialists of which San Roman had been president, and which had lent important support to Change 90 during its successful election campaign last year.

The man from Cusco based his move on the fact that Prime Minister Carlos Torres y Torres Lara's resignation took Fujimori by surprise, and at first, in an effort to salvage the situation, Fujimori thought of bringing together some Change 90 supporters. The names of Andres Reggiardo (current director of the National Planning Institute and general secretary of Change 90) and other people associated with La Molina were even mentioned.

San Ramon then tried to promote his own people, because—it was said in his group—if there was going to be a cabinet of Change 90 members, who better than the small industrialists who had supported Fujimori throughout his campaign?

San Ramon thought, as has happened to many people during these 16 months, that the time had finally come for him to be included in the government, now that the difficult period of rejoining the international financial system had passed. Now it was time for the people of Change 90 to take the reins of the state apparatus.

He said this in so many words to many of his associates, who began preparing projects and working plans of a ministerial nature. In fact, they dusted off the old texts they had prepared before the new government took office, which were never even looked at by the technical commission in charge of the transfer, as they amounted to a lot of good intentions with no administrative basis.

San Roman began to move his pieces in the Senate and to silently but tenaciously promote his nomination in the cabinet. But Fujimori quickly and forcibly cut off the maneuverings of the Change 90 senators.

Reggiardo, one of Fujimori's mastiffs, came out last Thursday to announce that Senator Julian Bustamante would be investigated by Change 90's secretary of discipline (!) for alleged irregularities when his two businesses (Surge and Fenix) obtained a credit for US $2.5 million from the Savings Bank of Lima by means of political pressure. Bustamante defended himself, saying that he had suspended his involvement with his businesses when he entered the Senate. Soon thereafter he quit Change 90. He was quickly followed by six deputies, also Evangelicals, who already had one foot out of the movement that brought Fujimori to power.

But it is obvious that the senators were on the losing end, having used their influence in one way or another in a manner that some people described as petty and provincial. But it was clear that Fujimori still has a lot of cards up his sleeve, and that he knows more than many people think.

In any case, the message came through loud and clear, and no senator dared open his mouth or unduly promote his participation in the cabinet.

In spite of that, Fujimori charged again. Reggiardo stepped into the fray to declare that the Senate was showing signs of inaction on the Ecuador matter, and that the upper house's mission of plenipotentiary ambassadors was reacting belatedly and ineptly. This was a direct jab at San Roman, who is chairman of the Senate Foreign Relations Committee. The man from Cusco got the message, and did not promote his nomination any more.

The Cabinet

The latest joke going around is that if there were no ministers like Victor Paredes, the poets would have no raw material for their verses, such as the one from Vallejo: "Mr. Minister, health has never been so sickly ...," or the one about Paredes's appointment as health minister causing cholera [a pun on the word "colera," which means both anger and cholera]. [passage omitted]

But not everything is negative in the new cabinet. Alfonso de los Heros has received widespread backing as premier because he is considered to be an upstanding, capable, and moderate professional. It is expected, however, that he will soon be tormented by the American Popular Revolutionary Alliance (APRA) and the parties of the left.

Carlos Bolona, who can claim credit for the successful culmination of Peru's reinstatement in the international financial system and the decline in inflation, has been strengthened by his own confirmation in his job and by De los Heros' appointment as prime minister. It is well known that Bolona does not get along with Victor Joy Way, who has also been confirmed as minister of industry and was mentioned as a possible premier. If Joy Way had been given that post, Bolona probably would not have remained in the cabinet.

The recent broadside of legislative decrees, in large measure inspired by the liberalism of Carlos Bolona and his advisers (see separate article) is another indication that the economy minister is riding high.

Jaime Yoshiyama, who went from Transportation to Energy and Mines, is another minister who enjoys widespread support in various business sectors and among the political parties. Although he had been touted as a possible "privatization czar," Fujimori chose to put him in a very important productive sector that is going through serious problems. The departure from the cabinet of Fernando Sanchez, who was criticized by Bolona and the liberals as a "statist," and the fact that Yoshiyama stayed on, provide further evidence of this faction's strength in the cabinet.

But Fujimori always tries to balance things, not out of a desire for balance and consensus—he is not much interested in that—but to avoid giving too much weight to any of his associates. The addition to the cabinet of Augusto Blacker, a friend of Santiago Fujimori's, may have been for that purpose.

Blacker Miller, a cousin of Violeta Correa Miller (Fernando Belaunde's wife) and Juan Carlos Hurtado Miller, was considered part of the group of "violeteros" or "terceristas" during the Popular Action government, when he was president of the Bank of the Nation. It may be recalled that the "violeteros" clashed with Carlos Rodriguez Pastor, one of whose aides was Carlos Bolona.

Among the virtues of the new minister of foreign relations is his international contacts (and he accompanied the president on his last trip to Europe). This could enable him to adapt to the job with relative ease, provided that he develops good relations with the career diplomats who have been so ill treated by the president of the republic and his advisers. Perhaps Blacker's ties to Santiago Fujimori will attenuate or eliminate the interference by those people in the management of Torre Tagle, which has created problems for his three predecessors.

One of the first problems Blacker will have to contend with is the attempt by those advisers to eliminate the current 20-percent cap on "political" ambassadors. Thus, in theory, all Peruvian representatives could be people from outside the diplomatic corps. There is also a plan to eliminate the rank of ambassador for the diplomats who are in Peru, that is, those who do not head an embassy.

The new minister will have to choose, then, between continuing to abuse the diplomatic corps according to the dictates of the Palace gnomes, and taking the lead in an institution which, in a country where everything is collapsing, still preserves its honor and dignity.

At Defense and Interior there is more than one problem. On the one hand, the transfer to Defense of General Victor Malca, who was not able to improve the performance of the National Police, is not a move toward efficiency; it is a strategic move on the chessboard of military and police matters, inspired by the favorite adviser on these issues.

On the other hand, the appointments of Malca and Briones create institutional problems that will be difficult to solve. Victor Malca belongs to the 60th Class, named for Colonel Ricardo O'Donovan, and he has less seniority than the current commander-in-chief of the Army, Pedro Villanueva, as well as other major generals; but as minister he can give orders.

The next commander-in-chief could be in the same boat. The alternative, then, would be to retire several generals so that Malca would be the highest-ranking general in the Army. In other words, Malca's appointment could be designed to get rid of several major generals who are not to the liking of Fujimori and his adviser.

At Interior there is a similar problem. Juan Briones Davila is a brigadier general, and under him are four lieutenant generals of the National Police, equivalent to major generals (a rank higher than the minister's). To solve this problem, Briones will probably be promoted early next year.

But with regard to the serious state of decay in the Police, no one should expect too much. Many experts on the matter and many parliamentarians have stated that it is not appropriate to name a military officer minister of the interior. But Fujimori, incorrigibly stubborn, insists on the formula that has caused so many problems before now.

It is not necessary to say much about the other ministers who are staying on. They are already known. Oscar de la Puente, Enrique Rossi, and Augusto Antonioli so far have not demonstrated any outstanding virtues that qualify them to remain in the cabinet, except for their unquestioning loyalty to the president and some powerful adviser.

In conclusion, the cabinet will probably stay on the same course as before, both in economic policy and in the antisubversion effort, perhaps accentuating the good as well as the bad.

* San Roman 'Resentful'

92SM0111B Lima EL COMERCIO in Spanish 8 Nov 91 p A4

[Report by unidentified reporter under the rubric "Unconfirmed": "Bridge Between the Palace and Congress"]

[Text] After Congress failed to achieve a quorum on Wednesday, when it was supposed to authorize the president's trip to Southeast Asia, Fujimori was reportedly very worried. He was not concerned so much about the attitude of the Aprist parliamentary cells in the Chamber of Deputies and Senate, who prompted a "strategic withdrawal from the chamber," as about the apparent reluctance of the Change 90 parliamentarians to form a united front when the session was convened. The recent power struggle—if it can be called that—within Change 90 has translated into a weakening of the bridge built by that group between the Government Palace and Congress. With San Roman resentful over the darts fired at him by Andres Reggiardo and Fujimori himself, and with Victor Paredes now sporting a ministerial sash, the president has no one to do his dirty work for him in hostile parliamentary territory. The dissent in the ranks of Change 90 is not just among Evangelicals, but also among Catholics. In both cases, there have been resignations accompanied by biblical quotations.

* Fujimori Directs Changes

92SM0111C Lima SI in Spanish 21-27 Oct 91 p 30

[Text] All indications are that the order given by President Alberto Fujimori to his followers is to organize Change 90 into a formal party. Andres Reggiardo, general secretary and now head of the National Planning Institute, along with Deputies Victor Paredes, Victoria Paredes, and the executive president of the National Compensation and Development Fund (Foncodes), Luz Salgado, all of them "molineros" [graduates of the National Agricultural University at La Molina], are responsible for visiting the few bases loyal to Fujimori and putting the house in order, before going on to more important matters.

They will be joined by an Evangelical who is loyal to the president. Deputies Oswaldo Garcia Monteblanco, Siura, Miranda Moreno, and Ramiro Jimenez are the strongest candidates. These Evangelicals have good relations with the "molineros" who are really in control of the government. Nevertheless, the Change 90 supporters have discovered that there are no organizers among their ranks.

Among the senators, the candidates for joining the organizing team are Ana Kanashiro and German Escalante.

Fujimori, to whom the loyal Evangelicals have proposed a rapprochement and participation in the organization of the new party, has thought of returning to the original alliance. For this reason, he is evaluating the performance of Pastor Pedro Vilchez (current head of the National Institute for Family Welfare) to see about bringing him into the fold. The "big chief," as Fujimori likes to be called in private, reportedly has said that he will not forgive Carlos Garcia (second vice president) and Victor Honma.

The National Executive Committee (CEN), which governs the new political organization, is not complete; a person still has to be named to the post of secretary of organization, formerly held by Pablo Correa. Correa is now devoting his time to his company that produces advertisements and graphics for the media.

There is also a vacancy left by Victor Aritomi, now Peru's ambassador to Japan, in the job of national secretary of press and propaganda.

Another of the chief executive's concerns is designating once and for all a candidate for mayor of Lima. So far three people have been put forward: Deputy Victoria Paredes, Mario Velasquez, and Luis Castaneda Lossio, president of the Peruvian Institute of Social Security (IPSS). The offer has apparently been made to the latter candidate, but he has not yet responded.

* Lower House Split

92SM0111D Lima EXPRESO in Spanish 20 Oct 91 p 4

[Text] The Change 90 members in the Chamber of Deputies have split into three groups: the "Fujimorists," the "Paredists," and the "principlists." The first group consists of Gilberto Siura Cespedes, Ramiro Jimenez Aguirre, Enrique Chucuya Vilca, Anastacio Vega Ascencio, Jose Baffigo Torre, Roberto Luy Wu, Herminio

Porras Oroya, Gamaliel Barreto Estrada, Alfonso Pachas Carbajal, and Lucila Shinsato de Shimabukuro. Among the followers of the former president of the Chamber of Deputies, Victor Paredes Guerra, are Victoria Paredes Sanchez, Oswaldo Garcia Monteblanco, Hernan Lazo Hilario, and Manuel La Torre Bardales. And in the so-called "principlist" group are Tirso Vargas Vargas, Jose Luis Hurtado Zamudio, Oscar Cruzado Huby, Moises Miranda Moreno, Cesar Vargas Gonzales, Freddy Moreno Neglia, Wilfredo Alvarez Valer, Marcos Herrera Pacheco, Manuel de Falla Cobena, Felipe Bockos Heredia, and Eduardo Castillo Hoyos. The majority of this latter group have been listed since August as members of the Independent Parliamentary Coordinating Committee of expelled parliamentarians Guillermo Yoshikawa, Gerardo Lopez Quiroz, Mario Soto Godoy, and Juana Avellaneda Soto.

Guyana

President Confirms Postponement of Elections

FL2211220391 Bridgetown CANA in English 2149 GMT 22 Nov 91

[Text] Georgetown, Guyana, Nov 22, CANA—President Desmond Hoyte Friday night confirmed the postponement of Guyana elections set for December 16, saying the absence of an acceptable voters list meant the elections could not take place withn the December 28 constitutional deadline.

"On the advice of the chairman of the Elections Commission, the election fixed for December 16, 1991, cannot now be held, nor can it be held within the constitutional deadline of December 28, 1991," Hoyte said.

Hoyte, whose attorney general was abroad this week, said in an address to the nation he would seek legal advice in light of Election Commission Chairman Rudy Collins' announcement Wednesday that a flawed voters list could not be corrected in time for the election as earlier expected.

Hoyte on November 10, set a December 16 election date to fulfil the December 28 deadline, despite concern by opposition parties and other interest groups about the commission's ability to correct the voters list in time. The president said the chairman's announcement left him with two options: to do nothing and leave the country without a government, or invoke "the appropriate constitutional provisions" to ensure government continues and preserve public order.

"In essence therefore, there is only one option, since it is inconceivable that I would allow Guyana to be without a government with the attendant chaos and confusion which such a situation would bring in its wake.

"As soon as I have been duly advised on the legal and constitutional issues I will speak to you again to let you know what specific action I will be taking, under the Constitution, to preserve the due constitutionality and to deal with the several political and other issues that are involved," the president said.

Hoyte, who has met in recent days with representatives of four opposition parties, said he would continue the consultations next week. He said the aim is to "have the benefit of as wide a spectrum as possible of political opinion to enable me to decide on the most appropriate modalities to safeguard the integrity of our country, protect its best interests and advance our electoral objectives in the problematic period."

The Guyanese leader, charging that opposition parties failed to co-operate with the election commission's bid to produce an acceptable list, said his People's National Congress (PNC) made "every effort" to help in correcting the list.

"It is to be regretted that other parties and other interests obstructed the chairman in his work," said Hoyte, who earlier this month accused the opposition Parotic Coalition for Democracy (PCD) of attempting to sabotage efforts to correct the list, a charge dismissed by the PCD.

Opposition Pleased

FL2511132391 Bridgetown CANA in English 2155 GMT 23 Nov 91

[Report by Urrell Wilkinson]

[Text] Georgetown, Guyana, Nov 23, CANA—Guyana's two main opposition political parties welcomed the postponement of elections from December 16, but they disagree on how soon the poll should be held. The leading opposition parties—the Peoples Political Party [PPP] and the Working Peoples Alliance [WPA]—pressed the government to postpone the poll, saying more time was needed to correct a heavily flawed voters list.

President Desmond Hoyte, in an address to the nation Friday night, said that the elections could not take place by December 28, the last day it could be legally held according to Guyana's Constitution. The postponement came after Rudy Collins, elections commission chairman, said that he could not produce a voters list with the necessary public verification for the December elections.

PPP leader Dr. Cheddi Jagan indicated he wanted the election to take place early next year, while accusing the government of seeking to delay the thrice-postponed poll for another year.

"Nobody wants that.... Neither the Guyanese opposition forces, nor the overseas Guyana support group (of) aid donors, investors, and multilateral institutions," the 73 year old dental surgeon told CANA.

Dr. Rupert Roopnarine, prime ministerial candidate of the Working People's Alliance, told CANA that the party "breathed a sigh of relief" when Hoyte cancelled the elections.

"It is now clear that the task before President Hoyte is the reconvening of Parliament, the amendment of the Constitution, and the passing of the necessary legislation to bring the full control of the election machinery under the elections commission," he said.

He repeated the WPA's call for a five month delay, with elections set for mid-May. This position has been rejected by the PPP, which is sticking with the Carter Center's recommendations of a postponement of elections to February or March.

Elections here were to be held in December 1990 but were postponed after former United States President Jimmy Carter negotiated unprecedented electoral reforms for political parties. However, three two-month extensions of Parliament under the amended Constitution ruled out a mid-1991 election and the subsequent dissolution of Parliament on September 28 paved the way for a December poll.

Cooperation Agreement Signed With Venezuela

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[Text] A meeting of the Guyana-Venezuela Joint Commission has ended with both countries signing an agreement involving several joint venture programs including cooperation in health, technology, transportation, and tourism.